



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

China

**FBIS-CHI-94-217
Wednesday
9 November 1994**

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

China

FBIS-CHI-94-217

CONTENTS

9 November 1994

An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

UN Envoy Opposes Use of Military Force in Bosnia [XINHUA]	1
Chen Muhua, Others Open International Science Week [XINHUA]	1
XINHUA Reportage on U.S. Christopher's ROK Visit	1
Notes Christopher's Arrival	1
Christopher Meets Han Sung-chu	2
DPRK, U.S. To Hold Experts Discussions [XINHUA]	2
Editorial on Jiang's Trip to Four Nations [Hong Kong TA KUNG PAO 9 Nov]	2
Column Lauds Foreign Policy Successes [RENMIN RIBAO OVERSEAS EDITION 24 Oct]	4

United States & Canada

XINHUA Notes Republicans' 'Landslide Victory'	7
Jiang Zemin, Zou Jiahua Meet AT&T Chairman [XINHUA]	7
Liu Huaqing Meets Alexander Haig, Party [XINHUA]	7
Journal Views U.S. Latin American Policy [SHIJIE ZHISHI 16 Oct]	8
Canadian Prime Minister Chretien Continues Visit	10
Li Peng Hosts Banquet Meeting [XINHUA]	10
More on Banquet Meeting [XINHUA]	11
Zou Jiahua Meets Chretien [XINHUA]	12
Li Peng Meets Chinese-Canadian Doctor [XINHUA]	12
China, Canada Sign Over 50 Cooperation Documents [XINHUA]	12
Shanghai Establishes Friendly Port Tie With Vancouver [XINHUA]	13

Northeast Asia

Beijing To Screen Film Based on 'Nanjing Massacre' [XINHUA]	13
Li Peng Meets ROK Foreign Trade Association Group [XINHUA]	13
Li Peng Gives News Conference in ROK [Hong Kong TA KUNG PAO 5 Nov]	13
Shanghai-ROK Container Corporation Launched [XINHUA]	16

Southeast Asia & Pacific

Commentary Previews Jiang's Southeast Asia Trip [Beijing International]	16
Burma To Establish Economic Zone on Border With PRC [XINHUA]	17
Lao Deputy Premier Meets PRC Telecommunications Minister [XINHUA]	17
Philippine, Chinese Presidents To Meet in Jakarta [XINHUA]	18
Reportage on Jiang Zemin's Singapore Visit	18
Jiang Gives Airport Statement [XINHUA]	18
Jiang Meets Lee Kuan Yew [XINHUA]	18
Further on Meeting [CHINA DAILY 9 Nov]	19
Singaporean President Holds Ceremony [XINHUA]	20
Jiang Zemin Holds Talks [XINHUA]	20
Jiang Meets Singapore Premier [XINHUA]	20
Malaysia 'Warmly Expecting' Jiang Zemin Visit [XINHUA]	21
Malaysian Foreign Minister Previews Jiang Visit [XINHUA]	21
Malaysia-China Trade Seen Rising [XINHUA]	21
Buhe Meets Vietnamese Visitors [XINHUA]	22
Qiao Shi Visits Maori Art Center in New Zealand [XINHUA]	22

Qiao Shi, Australian Leaders Discuss Bilateral Ties [XINHUA]	22
Further on Qiao Shi Meeting Keating [XINHUA]	23
Premier of South Australian State Welcomes Qiao Shi [XINHUA]	24

NATIONAL AFFAIRS

Political & Social

Daughter Says Deng in 'Excellent' Condition [Hong Kong HSIN PAO 9 Nov]	25
Yu Yongbo on Practicing Deng's Theory [QIUSHI 1 Oct]	25
Commentator on Learning From Deng's Works [RENMIN RIBAO 7 Nov]	28
Wu Bangguo Named Central Finance Group Deputy Head [Hong Kong MING PAO 7 Nov]	29
Commission Issues Circular on Cadre Misconduct [XINHUA]	30
Daily Rejects 'Military Menace' Allegation [CHINA DAILY 8 Nov]	31
Li Lanqing Promotes Vocational Education [Hong Kong TZU CHING 5 Oct]	32
National Meeting on Education Experiments Opens [XINHUA]	34
Census Shows Ethnic Minorities Outdo Hans [CHINA DAILY 9 Nov]	34
Experts Appeal for Legislation on Euthanasia [ZHONGGUO XINWEN SHE]	35

Economic & Agricultural

Wu Bangguo Inspects Heilongjiang 4-8 Nov [XINHUA]	35
Song Jian on Intellectual Property Protection [XINHUA]	36
Zhu Rongji Comments on Tax Collection System [Hong Kong LIEN HO PAO 8 Nov]	37
Zou Jiahua Praises KMT Airlines' Uprising [XINHUA]	38
Li Boyong Addresses Industrial Safety Symposium [XINHUA]	38
Commission Says Economy Approaching 'Soft Landing' [ZHONGGUO ZHENGQUAN BAO 15 Oct]	38
Experts Predict 'Soft Landing' [Hong Kong CHING TAO PAO 31 Oct]	39
Budget Deficit Estimated at 60 Billion Yuan [Hong Kong MING PAO 7 Oct]	42
Commentary on Reforming State-Owned Enterprises [CHINA DAILY 9 Nov]	43
Negative Effects of Preferential Policies Viewed [FAZHI RIBAO 20 Sep]	44
China To Produce Coal Based on Market Demand [XINHUA]	45
Ministry Puts Coal Exports Under Unified Operations [Hong Kong CHING CHI TAO PAO 31 Oct]	45
Foreign Funds Sought To Develop Business District [Hong Kong SOUTH CHINA MORNING POST (PROPERTY POST) 9 Nov]	45
Official Urges Overseas Investment in Transport [CHINA DAILY 8 Nov]	46
Principles for Using Foreign Capital in Light Industry [Hong Kong CHING CHI TAO PAO 31 Oct]	46
Regulations on Export Commodities Appraisal Charges [GUOJI SHANGBAO 23 Oct]	47
Pacts With 'Exchange Speculation' Firms Banned [Hong Kong CHING CHI TAO PAO 31 Oct] ...	49
Article Predicts Rising Foreign Trade Deficit [Hong Kong HSIN PAO 20 Oct]	49
'Roundup' Notes Success of Bohai Rim Trade Fair [XINHUA]	51
Zhengzhou To Host 1st International Minerals Fair [XINHUA]	52
China Develops Personnel Exchange Market [XINHUA]	52
Minimum Salary Standards To Be Instituted [XINHUA]	52
Local Branches of People's Bank To Lose Autonomy [Hong Kong MING PAO 20 Oct]	52
Realtor Says Prices for Office Space To Fall [Hong Kong SOUTH CHINA MORNING POST (PROPERTY POST) 9 Nov]	53
Rural Firms Output Grows by 50 Percent [XINHUA]	54

REGIONAL AFFAIRS

East Region

Fujian Border Guards Conduct Patriotic Education [Fuzhou Radio]	55
New Shanghai Deputy Secretary Appointed [Hong Kong LIEN HO PAO 9 Nov]	55
Shanghai Paper Stresses Upholding Central Authority [JIEFANG RIBAO 31 Oct]	55
Mayor: Shanghai Must Learn From Other Countries [XINHUA]	59
Shanghai Foreign Exchange Trade Boosts Business [XINHUA]	59

Shanghai Mayor Promotes 'High-Quality Personnel' [XINHUA]	60
Good Trend of Industrial Development in Shanghai [ZHONGGUO XINWEN SHE]	60
Rural Industry Developing Rapidly in Shandong [XINHUA]	60
Families Hook Up to Shanghai Cable TV Network [XINHUA]	61

Central-South Region

Guangdong Reminds Residents of Exit Permit Rules [ZHONGGUO XINWEN SHE]	61
Guangzhou Provides More Housing to Residents [XINHUA]	62
Guangxi Gives Jan-Sep Economic Statistics [Nanning Radio]	62
Hubei Sends Grain, Cotton Teams To Ensure Supply [Wuhan Radio]	63

North Region

Beijing Head Urges Nationality University Support [BEIJING RIBAO 2 Nov]	63
Beijing Marks 2000th Issue of Periodical [BEIJING RIBAO 1 Nov]	64
Beijing To Build More Houses [XINHUA]	65
Hebei Holds Conference on Smuggling Crackdown [HEBEI RIBAO 26 Oct]	65
Report: Effects of Reform on Nomadic Mongolians [XINHUA]	66
Inner Mongolia Secretary at CPC Plenum [NEIMENGGU RIBAO 24 Oct]	66

Northeast Region

Heilongjiang Reviews Law-Enforcement Departments [HEILONGJIANG RIBAO 8 Oct]	75
Heilongjiang To Sell 20 Million Mu in Wasteland [HEILONGJIANG RIBAO 20 Oct]	76
Jilin Secretary on Implementing 'Decision' [JILIN RIBAO 24 Oct]	76
Liaoning Private Technical Enterprises Increase [XINHUA]	78

Northwest Region

Wang Lequan, Janabil at Xinjiang CPPCC Committee [Urumqi TV]	78
--	----

TAIWAN

Officials Hold GATT Tariff Talks With 4 Countries [CNA]	80
Gubernatorial, Mayoral Election Campaigns Begins [Taipei Radio]	80
Cross-Strait Negotiations on Hong Kong 'Unofficial' [CNA]	81

HONG KONG & MACAO

Hong Kong

Zhao Jihua Interviewed on Hong Kong Issue [XINHUA]	82
Legislator Urges Consultation With China on MTRC [Hong Kong SOUTH CHINA MORNING POST 9 Nov]	83
XINHUA Official Seeks Film Censorship Talks [ZHONGGUO TONGXUN SHE]	83
'Expert': No Guarantee for Smooth Court Transition [Hong Kong SOUTH CHINA MORNING POST 9 Nov]	83
UK Urged Not To Change Longstanding Legislation [Hong Kong SOUTH CHINA MORNING POST 9 Nov]	84
PRC Official Says Hong Kong Relief Properly Used [XINHUA]	84
Survey Shows Decline in 'Political Confidence' [Hong Kong SOUTH CHINA MORNING POST 7 Nov]	85
Hong Kong Businessmen Urged To Invest in Mainland [XINHUA]	85

General

UN Envoy Opposes Use of Military Force in Bosnia

OW0911041094 Beijing XINHUA in English 0405
GMT 9 Nov 94

[FBIS Transcribed Text] United Nations, November 8 (XINHUA)—Chinese Ambassador to the UN Li Zhaoxing said today that any attempt to resolve the Bosnian conflict by military means would only complicate matters further and lead to a deterioration in the situation there.

He made the remark during a Security Council discussion on the three-year-old arms embargo against Bosnia-Herzegovina.

Last week, the General Assembly passed a non-binding resolution calling on the Security Council to lift the embargo. China abstained during the vote on the resolution.

"It is the consistent position of the Chinese delegation that the only way to lasting peace in Bosnia-Herzegovina is to seek a proper settlement acceptable to all sides through consultation and negotiation," Li said.

He expressed strong support for all the peaceful efforts made to resolve the conflict.

"We support the international community in its peaceful efforts to find a fair, reasonable and lasting solution to the conflict in Bosnia-Herzegovina," he said.

"In this connection, all the efforts of the international community should be directed at promoting the peaceful resolution of this conflict, rather than exacerbating the regional contradictions and worsening the regional conflict," he added.

Li stressed that the sovereignty and territorial integrity of Bosnia should be respected.

A UN source has revealed that the meeting of the council was called by some countries that failed to put their point of view at the general assembly last week.

In addition to 10 speakers from security council member countries, 27 non-member countries were invited to attend and address the meeting, most of them Muslim countries.

The UN has been locked in a dispute over the issue of the arms embargo against Bosnia. Muslim countries and the United States have been demanding that the embargo be lifted, while all the European countries, together with Russia, are opposed to such action.

The European Union has expressed the fear that lifting the arms embargo may provoke an all-out war in the region.

Chen Muhua, Others Open International Science Week

OW0811170394 Beijing XINHUA in English 1628
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—The sixth "International Science and Peace Week" opened here today with a grand ceremony. Butrus Butrus-Ghali, secretary-general of the United Nations, sent a telegram of congratulations to the event.

In the telegram Butrus-Ghali expressed his gratitude for the efforts of the Chinese organizing committee in hosting the event and highly appraised China's achievements in developing world science and safeguarding world peace since 1989.

Participants at the opening ceremony included Chen Muhua, Wang Guangying, Cheng Siyuan, Lu Jiayi, Li Peiyao—all vice-chairmen of the Standing Committee of the National People's Congress, and representatives from over 50 foreign countries with footholds in China as well as government officials and entrepreneurs from more than 70 Chinese cities.

The seven-day event is being held in the Chinese capital and more than 20 other cities in the country simultaneously.

Gao Chao, chief of the Chinese organizing committee, noted that among the member states of the United Nations, China has become the country where the carrying-out of such events has turned out to be most thoroughgoing, extensive, sustained and fruitful.

This event is being held in response to the resolution passed by the 43rd General Assembly of the United Nations in 1989, which called on all member states to hold "International Weeks of Science and Peace" in November every year.

XINHUA Reportage on U.S. Christopher's ROK Visit

Notes Christopher's Arrival

OW0811143494 Beijing XINHUA in English 1415
GMT 8 Nov 94

[FBIS Transcribed Text] Seoul, November 8 (XINHUA)—U.S. Secretary of State Warren Christopher arrived here today on a three-day visit, during which he will hold talks with South Korean officials on follow-up steps to the October 21 Washington-Pyongyang framework agreement on nuclear issues.

Christopher is accompanied by Assistant Secretary for Political and Military Affairs Robert L. Gallucci, the chief negotiator of the agreement between the United States and the Democratic People's Republic of Korea (DPRK).

During his stay here, the U.S. secretary of state and his South Korean counterpart Han Sung-chu will discuss the

provision of light-water reactors to the DPRK, the exchange of liaison offices between Pyongyang and Washington as well as the resumption of inter-Korean dialogue.

He is expected to call on South Korean President Kim Yong-sam on Wednesday.

Meanwhile, Gallucci will hold separate talks with South Korean Assistant Foreign Minister Choe Tong-chin, who is to lead a special committee on the provision of nuclear reactors, a key part of the U.S.-DPRK agreement.

After visiting South Korea, Christopher will lead the U.S. delegation to the Asia-Pacific Economic Cooperation (APEC) ministerial meeting in Jakarta, Indonesia, from November 10 to 12.

Christopher Meets Han Sung-chu

OW0911111794 Beijing XINHUA in English 1025
GMT 9 Nov 94

[FBIS Transcribed Text] Seoul, November 9 (XINHUA)—U.S. Secretary of State Warren Christopher today reiterated the importance of inter-Korean dialogue while pledging that Washington would freeze any American troop pullout from South Korea.

At the talks with his South Korean counterpart Han Sung-chu here Wednesday, Christopher said that the light-water reactors to be given to the Democratic People's Republic of Korea (DPRK) would be South Korean models.

According to a South Korean Foreign Ministry spokesman, Christopher also stressed that the interim energy, to be provided during reactor conversion, will be arranged under U.S. leadership while South Korea will participate only in the reactor project.

The U.S. secretary of state arrived here Tuesday for the first Washington-Seoul high-level consultations since the October 21 framework agreement between the U.S. and the DPRK.

Under the Pyongyang-Washington accord signed in Geneva, the DPRK will freeze its nuclear program in exchange for a U.S.-led coalition financing of Pyongyang's shift to new and safer nuclear power technology.

The new technology involves two light-water reactors valued at four billion U.S. dollars which would produce far less plutonium that could be diverted to make nuclear weapons. The coalition will also supply oil to meet the DPRK's energy needs in the interim, reports say.

Han and Christopher shared the view that the October 21 agreement laid the basis for settling the nuclear issue on the Korean peninsula, stabilizing the situation there and honoring the Nuclear Nonproliferation Treaty (NPT) regime.

"But they both saw the agreement as only the beginning of a solution to the nuclear problem," the spokesman noted.

The two foreign ministers emphasized the need for inter-Korean dialogue for effective implementation of the Washington-Pyongyang agreement.

"Christopher made it clear that the U.S. security commitment to South Korea is firm. ... He pledged that the U.S. is not considering any change in the scale of American troop presence," the spokesman said.

At present, some 36,000 American troops are stationed in South Korea.

During the talks, the U.S. secretary of state welcomed the South Korean Government's decision on Tuesday to ease restrictions on inter-Korean economic cooperation, predicting that such a move will create a favorable condition for implementation of the Geneva agreement, the spokesman noted.

After his three-day visit to South Korea, Christopher, accompanied by Assistant Secretary for Political and Military Affairs Robert Gallucci and other high-ranking officials, will go to Jakarta for the Asia-Pacific Economic Cooperation (APEC) ministerial meeting scheduled for November 11 to 12.

DPRK, U.S. To Hold Experts Discussions

OW0811161394 Beijing XINHUA in English 1452
GMT 8 Nov 94

[FBIS Transcribed Text] Pyongyang, November 7 (XINHUA)—The Democratic People's Republic of Korea (DPRK) and the United States will start experts' discussions later this month on the implementation of their agreed framework.

A spokesman of the DPRK Foreign Ministry announced today that the DPRK and the United States recently had a series of working contacts in New York to open experts' discussions on the implementation of their agreed framework.

He said that at the contacts the two sides agreed to hold the experts' discussions on the safe storage of spent fuel in Pyongyang from November 12 to 19.

Experts' discussions on the conclusion of a contract on the provision of light water reactors will begin in Beijing on November 30 and experts' discussions on the establishment of liaison offices will be held in Washington from December 6 to 10, he said.

Editorial on Jiang's Trip to Four Nations

HK0911104094 Hong Kong TA KUNG PAO in Chinese
9 Nov 94 p 2

[Editorial: "President Jiang Zemin's Trip to Four Nations"]

[FBIS Translated Text] Chinese President Jiang Zemin yesterday (8 November) led a huge delegation to Singapore, to begin a three-day official visit. Singapore is the first leg of Jiang Zemin's trip, which includes Malaysia, Indonesia, and Vietnam. From 14 to 16 November, he will attend the Asia-Pacific Economic Cooperation [APEC] Forum in Bogor, a well-known city in Southeast Asia, and hold talks with the leaders such as U.S. President Bill Clinton.

Very obviously, Jiang Zemin's current trip is a very important one in foreign affairs and he is accompanied by 118 people, including Vice Premier Qian Qichen and Wu Yi, minister of foreign trade and economic cooperation. This is a large-scale diplomatic activity involving a comprehensive range of political, economic, and foreign affairs. Particularly when Jiang Zemin attends the APEC summit in the middle of this month, he will directly explain the economic and foreign policies of a transforming and opening China in this and in the 21st century. Jiang Zemin, as the core of the third-generation party and government leadership in China, and as the leader of a great Asian power with 1.2 billion people, certainly carries a great deal of weight in his policy address, which has a bearing on peace and stability in Asia and the world.

Jiang Zemin's current trip fully demonstrates the important status of China in Asia today. Jiang Zemin visits Singapore at the invitation of President Ong Teng Cheong; his visit to Malaysia is at the invitation of Tuanku Jaafar, supreme head of state of Malaysia; his visit to Indonesia is at the invitation of President Suharto; and his visit to Hanoi is at the joint invitation of Vietnamese President Le Duc Anh, and Do Muoi, secretary general of the Vietnamese Communist Party Central Committee. During the period when he is attending the APEC summit, Jiang Zemin will meet U.S. President Bill Clinton, Canadian Prime Minister Jean Chretien, Australian Prime Minister Paul Keating, Japanese Prime Minister Tomiichi Murayama, and other state leaders or cabinet members. People cannot help recalling the late Premier Zhou Enlai, who in the 1950's attended the important Bandung Meeting and was spoken of highly in the international community, which accorded him great importance. Needless to say, the international status of China today is much higher than it was at that time and China has more say in the international community. One of the basic and important factors in foreign affairs in the international community is comprehensive national strength, that is, the economy. Today, the Cold War between the East and the West has ended, the world has entered a period of change leading to a multipolar pattern, and economic development and mutual exchanges have become the common demand of various countries. To develop the economies, international cooperation is needed to safeguard the peaceful environment and China's economic growth and peaceful foreign policy are playing a great role in influencing the international community.

However, amid economic developments, because various countries have different status and demands and because they differ in resources, technological level, and other conditions, new contradictions will emerge before the old ones are resolved. The "Uruguay Round" of GATT talks dragged on for seven years before something like an initial agreement could be reached. It is thus clear that various countries must carry out economic cooperation and exchanges. However, contradictions will emerge during discussions on strengthening cooperation and exchange and this requires that the various countries continuously carry out dialogue and coordination, between the heads of state, various departments, and consortia. Economic cooperation in the Asia-Pacific region is a new concept for the 21st century and the APEC Forum this year will discuss the adoption of a long-term goal of spending 10 to 20 years to promote free trade within the APEC region, with the free trade domain including trading in goods, services, and investment, as well as the means to achieve free trade. China supports the idea of formulating the long-term goal of realizing free trade within the APEC region but the goal should be in accordance with the open principle of regionalism and conducive to the realization of global free trade. China advocates that the realization of free trade in the Asia-Pacific region should proceed in an orderly and gradual manner, that its starting point should not be too high nor its pace too fast, and that concerning free trade in the current stage, emphasis should first be laid on trading in goods and then free trade can be carried out, step by step, in the areas of services, investment, and technology according to conditions. China also thinks that to realize free trade in the APEC region, two basic goals must be pursued. First, uphold the principle of equality and reciprocity and the granting of most-favored-nation trading status to each other; and second, regarding the timetable for realizing free trade in the region, consideration must be given to the unique difficulties and needs in the developing member countries.

China's last demand is that it hopes the APEC Forum can sincerely support China's bid to rejoin the GATT. If China can rejoin the GATT at an earlier date, it will be conducive to the realization of the goal of free trade in the Asia-Pacific region ahead of schedule.

On 11 November, Qian Qichen and Wu Yi will attend the Sixth APEC Ministerial-Level Meeting and then, on 15 November, at the second unofficial APEC summit, Jiang Zemin will meet the leaders of the relevant countries. It can be imagined that such extensive contacts will produce new results in promoting mutual understanding and fostering consensus.

This year, senior Chinese leaders have paid frequent visits to friendly neighboring countries, Europe, North America, and Oceania, repeatedly proving that the diplomatic activities launched by China according to the new changes in the international situation, and based on the needs of the central task of economic construction, at

home, have created a more peaceful international environment for China's reform and opening up and have been well received by the international community.

In April this year, Premier Li Peng visited Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan and then he went to Mongolia for visit, signing a series of treaties and agreements on friendship and cooperation. In September, President Jiang Zemin visited Russia and signed a number of cooperation agreements. Last month, Premier Li Peng visited South Korea and scored great results. At present, National People's Congress chairman Qiao Shi is in Oceania, Li Lanqing is visiting the United States, and President Jiang Zemin is leading a delegation to visit Singapore, Malaysia, Indonesia, and Vietnam. This series of visits to foreign countries, and the visits to Beijing by heads of states and important officials from abroad, have greatly increased the scope of mutual understanding and cooperation between China and foreign countries, expanding the political, scientific, technological, trading, and economic interaction between China and various countries. China has become an important economic and trade partner with many countries in Asia, North America, Oceania, and Europe. All these countries admit that China is an indispensable factor contributing to peace in Asia and the world. That China's international status is rising is an undeniable objective fact. It is predictable that President Jiang Zemin's current trip to the four nations will be even more rewarding.

Column Lauds Foreign Policy Successes

HK0811064994 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Oct 94 p 1, 3

["Footprints of the Republic" column by staff reporter Gan Changjun (7559 1603 4596): "China's Diplomacy Attracts World Attention"]

[FBIS Translated Text] Editor's note: The "Footprints of the Republic" column comes to a successful end today. This column has carried a total of 39 articles which, from different angles and aspects, present the glorious achievements that have been scored since the founding of New China 45 years ago, especially since the institution of reform and opening up 16 years ago. It has yielded a positive influence at home and abroad and has been well received by a large number of readers.

We hereby express our gratitude to the Changhong Electrical Appliances Company Limited in Sichuan for their vigorous assistance to this column. [end editor's note]

Since its founding 45 years ago, the PRC has made great achievements in all areas. As is the case on the domestic front, China's diplomacy has also made progress that has caught the attention of the world. Recently, an official from the Ministry of Foreign Affairs answered this reporter's questions.

Main Goals and Characteristics of China's Diplomacy

China pursues an independent foreign policy of peace and its goals are to safeguard world peace, promote common development, and create a good, peaceful international environment for China's reform and opening up. After the Third Plenary Session of the 11th CPC Central Committee, Comrade Deng Xiaoping, on the basis of carrying forward the thoughts of Mao Zedong and Zhou Enlai on foreign affairs and in light of the new changes in the international situation and the requirements of central domestic tasks, developed and perfected the independent foreign policy of peace, which mainly manifests itself in the following aspects:

In accordance with changes in the international situation, a new and scientific judgment has been made regarding the question of war and peace. It advocates that world war is avoidable and world peace can be maintained. The main task of diplomacy is to strive to create a favorable international environment for China's four modernizations program and to maintain world peace; China will not enter into alliances or strategic relations with any of the big powers and will not support one side against another. In international affairs, China upholds its independence and will not give in to pressure from any big power or bloc; China pursues all-round diplomacy and will develop cooperative relations of friendship and mutual benefit with all countries according to the criteria of the Five Principles of Peaceful Coexistence irrespective of different social systems and ideologies; China advocates the establishment of a peaceful, stable, just, and rational new international political and economic order on the basis of the Five Principles of Peaceful Coexistence; and China will open to the outside world, expand external economic cooperation, accelerate its socialist modernization construction, and promote friendly cooperation and common development with all countries in the world. In accordance with the principle of "one country, two systems," China has peacefully resolved the questions of Hong Kong and Macao through negotiations with Britain and Portugal, and this is of immediate and far-reaching significance to the unification of China.

China's Position in Establishing a New International Political and Economic Order and Its Relationship With Neighboring Countries

The Chinese Government actively advocates the establishment of a new international political and economic order. Such an order will be fundamentally different from the old order, characterized by hegemonism and power politics, as in the following:

State relations should be established on the basis of the Five Principles of Peaceful Coexistence and respect for the rights of peoples of different countries to choose their social system and mode of development according to the situations in their countries; in international affairs, large or small, wealthy or poor, strong and weak countries should all be equal and no decision should be made

by just one or a few big powers; differences between countries should be resolved justly and rationally through peaceful negotiations in the spirit of consultation on an equal footing and through mutual understanding and mutual accommodation; in cases where differences cannot be solved for the time being, they should be set aside for the moment in the spirit of seeking common ground while reserving differences and they should not hinder the development of normal state relations; and trade discrimination and restrictions existing in international economic life should be abolished for the benefit of common development and prosperity.

On the basis of the Five Principles of Peaceful Coexistence, China has made great efforts to develop friendly relations with neighboring countries. Mutual understanding and mutual trust between China and its neighbors have steadily increased and friendly neighborly relations have further developed. It is widely felt by neighboring countries that China is a major force for safeguarding peace. In the peace and reconstruction process in Cambodia and in relaxing the situation on the Korean peninsula, China has continued to play an active role with the praise and commendation of international society. China actively took part in the ASEAN regional forum held in July this year in Bangkok to discuss political and security issues concerning the region, making its contribution to the success of the conference.

The traditional friendship between China and the DPRK continues to develop. The political relationship between China and the Republic of Korea has been developing steadily and economic and trade cooperation expanding gradually. In April this year, Premier Li Peng made an official visit to Mongolia. The two countries resigned a treaty of friendship and cooperation, laying a new political foundation for developing future relations between the two countries.

Exchanges and cooperation in the political, economic and trade, cultural, scientific, and technological fields between China and ASEAN countries continues to expand. From this year, China has become a dialogue partner of ASEAN and has maintained close, high-level exchanges with the six ASEAN nations.

The relationship between China and Vietnam has witnessed new developments. The two sides have maintained high-level contacts and agree that the territorial dispute along the border between the two countries should not hinder the all-round development of relations. The premiers of China and Laos last year signed the Treaty of Border System Between China and Laos, symbolizing a satisfactory and thorough solution to the border problem between the two countries. Economic and trade relations between China and Laos have experienced speedy development. During the year, Vice Premier Qian Qichen visited India, Nepal, and Sri Lanka. There have been frequent high-level visits between China and India. The two sides have conducted

fruitful contacts and exchanges in the fields of political parties, government, the military, and economics and trade, and they reached a common understanding in expanding economic, trade, and technological cooperation. Negotiations on the border question between the two countries have been going smoothly. China and Pakistan abide by the Five Principles of Peaceful Coexistence and their friendly relations have stood the test of time. As a return visit for a trip to Nepal by Li Ruihuan, chairman of the Chinese People's Political Consultative Conference National Committee, Nepalese National Council Chairman Beni Bahadur Karki visited China. This year has seen a marked increase in the trade volume between the two countries.

The friendly and good-neighborly relationship between China and Russia has continued to develop smoothly. In recent years, high-level contacts between the two countries have increased visibly. President Yeltsin visited China in December 1992 and President Jiang Zemin paid an official visit to Russia in early September this year. During the visit, China and Russia reached a common understanding on building a new partnership in the 21st century. The two countries also signed a Sino-Russian joint statement, a joint statement by the two heads of state on not aiming strategic nuclear weapons at each other, an agreement on the western section of the Chinese and Russian border, an agreement between the two governments on ships passing Khabarovsk, a Sino-Russian agreement on customs cooperation, and a Sino-Russian agreement on economic and trade cooperation. The signing of these documents gave a strong impetus to the further development of Sino-Russian relationship.

In recent years, senior leaders from Central Asian countries have visited China one after another. Premier Li Peng undertook successful visits to Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan, and reached extensive understandings with the leaders of the four countries on a series of issues concerning the development of bilateral relations. The volume of trade between China and its Central Asian neighbors has increased to various degrees. China has become a major trading partner for the Central Asian countries.

Relations between China and its neighboring countries are in their best period since the founding of the People's Republic.

China's Relationships With Developing Countries (Including Non-Aligned Movement and the Group of 77) and Their Progress

To continuously strengthen and develop unity and cooperation with developing countries is a fundamental position in China's foreign policy. The international situation has experienced tremendous changes, but China still has extensive common interests and holds the same or similar views with the vast number of developing countries on opposing hegemonism, safeguarding world peace, and promoting common development.

China has established a new type of neighborly and harmonious relationship and mutual development with Asian countries. Relations with countries in West Asia and North Africa have also entered a new stage of all-round development. In the 45 years since the founding of the People's Republic of China, heads of state or government from 17 West Asian and North African countries have visited China, and Chinese leaders have also made extensive visits to various countries in this region. At present, China maintains diplomatic relations with as many as 39 African countries. The president and premier of China have made seven trips to Africa, and China's foreign minister has also visited Africa a number of times.

China has always attached great importance to developing unity and cooperation with developing countries in Latin America. Close contacts and especially the successful visit of President Jiang Zemin to Cuba and Brazil in November 1993 have ushered in a completely new stage of development in Sino-Latin American relations.

China has always supported the purposes and principles of the Non-Aligned Movement. China's pursuit of an independent foreign policy of peace coincides with the basic purpose and principles of the Non-Aligned Movement. By becoming an observer state of the Non-Aligned Movement in 1992, China's contacts and cooperation with the Non-Aligned Movement also entered a new stage.

As a developing country, China has been consistent in supporting the just stand and reasonable demands of the Group of 77, maintained good relations with the Group of 77, and has carried out fruitful cooperation. In recent years, China has also participated in various Group of 77 activities. This year marks the 30th anniversary of the Group of 77 and Premier Li Peng sent a message of congratulation, expressing China's wish to further develop mutual support and cooperation with the Group of 77 and its desire to make joint efforts to promote progress in the developing countries.

Recent Situation and Future of Sino- U.S., Sino-Japanese, and Sino-West European Relations

1. Sino-U.S. relations

China and the United States have extensive common interests. To maintain normal and good Sino-U.S. relations is not only in the fundamental interests of the peoples of China and the United States, but is also conducive to peace and stability in the Asia-Pacific region and the whole world. The Chinese Government has always attached importance to relations with the United States and hopes that both sides will increase trust, reduce difficulties, develop cooperation, and avoid confrontation. China and the United States have different social systems and values and it is no surprise that differences exist between the two countries. What is

important is to gradually solve these differences through dialogue and consultations on an equal footing.

Recently, some positive developments have been seen in Sino-U.S. relations. The first official meeting between the heads of state of China and the United States, Presidents Jiang Zemin and Clinton, which was held in November last year in Seattle, marked a new and good beginning for Sino-U.S. relations. Since then, visits at different levels, especially high-level visits and contacts, have markedly increased. Exchanges and cooperation on the economy, commerce and trade, and science and technology have continued to expand. The volume of bilateral trade in the first half of this year was \$14.37 billion, an increase of 33 percent over the same period last year. Consultation and cooperation between the two countries in dealing with international affairs have been strengthened. Contacts have been restored between the two countries' militaries. In May 1994, President Clinton announced the extension of most-favored-nation [MFN] status to China for fiscal year 1994-95 and said that the MFN status should be delinked from the question of human rights in the future. This decision has created favorable conditions for expanding and strengthening economic and trade cooperation and promoting the further improvement and development of relations between the two countries.

At present, Sino-U.S. relations face a good development opportunity. The two sides should seize this favorable chance, strengthen dialogue, and expand cooperation to push relations to a new level. On the other hand, we should realize that differences and difficulties still exist in Sino-U.S. relations. Particularly, the U.S. Government, despite China's firm opposition and many representations, has openly announced a series of measures to upgrade the U.S.-Taiwan relationship. Resentful and indignant, the Chinese Government and people have lodged strong protests with the U.S. Government. The question of Taiwan has always been a sensitive issue in Sino-US relations. It is a question that involves China's sovereign rights and territorial integrity, the great cause of the unification of the Chinese nation, and has a great bearing on the feelings of the Chinese people. On this question involving important principles, it is impossible for China to change its position. In the three joint communiques concluded between China and the United States, the U.S. Government has made solemn commitments and undertaken explicit obligations. We demand the US Government carry out its commitments and correct its erroneous actions on the question of Taiwan to avoid grave harm to Sino-U.S. relations.

To further improve and develop Sino-U.S. relations is the common wish of the Chinese and American peoples. It is also the wish of the people of the world. We believe that as long as both sides strictly abide by the principles laid out in the three communiques and do more practical work to further improve relations instead of laying new obstacles, Sino-U.S. relations will develop smoothly and healthily.

2. Sino-Japanese relations

Sino-Japanese relations are one of the important areas of China's diplomacy. Since the normalization of diplomatic relations between the two countries in 1972, good political relations between China and Japan have promoted the development of bilateral economic and trade cooperation. Since the beginning of this year, frequent high-level exchanges and political dialogue at many levels have continually deepened mutual understanding, expanded areas of agreement, and promoted stable development between the two countries.

Japan is one of China's most important cooperative partners in China's economic exchange with foreign countries. On the basis of mutual benefit and equality, economic and trade cooperation will continue to expand. It is estimated that bilateral trade this year will exceed \$40 billion. At present, Japan is China's largest trading partner and China has become Japan's second largest trading partner. There are also signs of expansion in other forms of economic cooperation each year.

3. Sino-West European relations

The Chinese Government attaches importance to developing long-term, stable, equal and mutually beneficial cooperative relationships with Western European countries. In recent years, thanks to the common efforts of both sides, there have been obvious improvements and developments in relations between China and the West European countries. High-level visits have been frequent. President Jiang Zemin and Premier Li Peng respectively visited such West European countries as France and Germany, and Chancellor Kohl of Germany and Prime Minister Balladur of France also visited China. These visits have all brought positive results and further promoted China's relations with these countries. China has concluded an agreement with the European Union to strengthen political dialogue. In the first half of this year, imports and exports between China and Western Europe amounted to \$15.5 billion. West European investment in China shows a continual trend of development.

China and West European countries hold different views on certain questions, but there are no fundamental conflicts of interest. We believe that, so long as both sides follow the principle of mutual respect, seeking common ground and reserving differences, eliminating obstructions, and seeking equality and mutual benefit, cooperative relations between China and Western Europe in political, economic, and international affairs will further develop and strengthen.

United States & Canada

XINHUA Notes Republicans' 'Landslide Victory'

OW0911125194 Beijing XINHUA in English 1139
GMT 9 Nov 94

[FBIS Transcribed Text] Washington, November 9 (XINHUA)—U.S. Republicans today won the complete

control of the country's Congress in the 1994 midterm elections for the first time in 40 years.

According to ballot results released late Tuesday night, the Republicans won 52 Senate seats, taking the power of the upper chamber for the first time in eight years, and they won 229 house seats, seizing the lower chamber for the first time in 40 years.

The Republicans also took 11 governorships from the Democrats, thus controlling 31 statehouses, and the Democrats now just hold 18 with one independent. Two of the nation's most prominent Democratic governors, Mario Cuomo of New York and Ann Richards of Texas were knocked out in the Republican landslide victory. Republican Governor Pete Wilson of California was re-elected.

This was viewed here as a disaster for President Bill Clinton's Democratic Party, since neither the Republican Party nor the Democratic Party has lost both chambers of Congress in one go since 1954.

This all added up to a grave setback for President Clinton midway through his four-year term, analysts here said.

They said that this would probably make it harder for Clinton to get his agenda enacted and would complicate his bid for the 1996 re-election.

Jiang Zemin, Zou Jiahua Meet AT&T Chairman

OW0811144994 Beijing XINHUA Domestic Service in Chinese 1108 GMT 7 Nov 94

[FBIS Translated Text] Beijing, 7 Nov (XINHUA)—President Jiang Zemin met with U.S. AT&T Chairman Robert Allen and his party in Zhongnanhai this afternoon.

Jiang Zemin said: Through efforts over more than a decade, we have made great achievements in the field of telecommunications. China and the United States are highly complementary in this regard. There are bright prospects for cooperation between China and the U.S. company.

Allen said that his company is very satisfied with its cooperation with China, and expressed the hope that the mutually beneficial cooperation will be further expanded.

Minister of Posts and Telecommunications Wu Jichuan and U.S. Ambassador to China J. Stapleton Roy took part in the meeting.

State Council Vice Premier Zou Jiahua also met with Allen and his party this afternoon.

Liu Huaqing Meets Alexander Haig, Party

OW0911115994 Beijing XINHUA in English 1142
GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—Liu Huaqing, vice-chairman of China's Central

Military Commission, met with Alexander Haig, former U.S. secretary of state, and his party here this evening.

Extending welcome to Haig, Liu said that Haig is an old friend of the Chinese people, and that he has made positive contributions to the development of Sino-U.S. relations.

Haig said that developing friendly relations between the U.S. and China has positive significance for peace and stability in the Asia-Pacific region and the whole world as well, adding that he is willing to continue his efforts in this regard.

During the meeting, they also exchanged views on international issues of common concern.

Journal Views U.S. Latin American Policy

HK0811075694 Beijing SHIJIE ZHISHI in Chinese No 20, 16 Oct 94 pp 2-3

[By Ruan Zongze (7086 1350 3419): "The Evolution of U.S. Latin American Policy As Viewed From the Haitian Crisis"]

[FBIS Translated Text] Haiti is a very small nation in the Caribbean region. Three years ago, Cedras, commander-in-chief of the Haitian Armed Forces staged a military coup on 29 September 1991, overthrowing Haiti's President Aristide, who had been elected through general elections for the first time. Aristide took refuge in the United States and, hence, the outbreak of the Haitian crisis. In actual fact, the three-year Haitian crisis did not pose any threats against U.S. security and interests and Haiti's strategic significance to the United States has been very limited. Nevertheless, ever since the Haitian crisis began, the United States has adopted a very aggressive policy, implemented economic embargoes and sanctions against Haiti, and even assumed the posture of sparing no efforts to fight a war, never letting the matter drop until the Haitian Junta was overthrown. Why should Clinton have to take up arms against Haiti?

The Drinker's Heart Is Not in the Cup

The Americans themselves said that there were three causes for sending their troops to Haiti, namely: 1. A large number of Haitian refugees had made their way to the United States, thus increasing its burden. It was reported that over the past two years, some 20,000 Haitian refugees have swarmed into the United States. 2. The Americans believed that the Haitian military leader overthrowing Aristide, the first elected president, was "an open challenge to democracy in the Western hemisphere." 3. The Haitian junta conducted kidnapping and assassination against Aristide's supporters and the United States was concerned about the "human rights conditions" in Haiti.

Relevant experts believed that, aside from the aforesaid causes, the Clinton Administration had deeper considerations in mobilizing its troops and stirring up the people.

Haiti is only two or three hundred nautical miles away from the United States and only 95 nautical miles from the U.S. Guantanamo Naval Base in Cuba. The Haitian military leader General Cedras had the temerity to act under the very nose of the United States and openly reject the U.S. warning to him to turn over power and let Aristide return to Haiti, despite all that U.S. military pressure on him. Consequently, the Clinton Administration lost face. Clinton was determined to go the whole hog and forced the collapse of the Haitian junta to save his face at home and abroad. Besides, U.S. armed intervention in Haiti would prevent a repetition of the anti-democratic "Haitian phenomenon" in the Latin American and Caribbean region, while serving as a warning and threat to the Cuban Government. Since the victory of the Cuban revolution in 1959, several U.S. administrations have adopted a hostile policy characterized by economic embargo against Cuba, diplomatic isolation, along with the military threat in an attempt to press the Cuban Government to change its policy. Naturally, Clinton hoped that resorting to force in Haiti would play a "deterrent" role.

In addition, an undeniable fact is that Clinton's timing of the solution to the Haitian issue was out of domestic political need. First, it was aimed at the mid-term elections. Generally, for the party in office to lose some seats in mid-term elections seems to be a law. With the mid-term elections approaching nearer with each passing day (8 November), Clinton himself and the Democrats were facing severe tests. Some observers believed that it would not be too big a problem for the Democrats to maintain their majority in the House of Representatives; however, the picture would not be as rosy in the Senate. At this critical moment, should a "sensational effect" be made possible in foreign affairs, it would be very helpful to the Democrats. Furthermore, the criticism against Clinton's foreign policy at home has never stopped, saying that he was being "weak and inappropriate," "shilly-shallying," "incongruent," and so forth. Such being the case, it would do no harm for him to give a performance on the Haitian issue which had a greater safety factor. In addition, there was an abnormal phenomenon, whereby although the U.S. economy had begun to pick up, Clinton's support rate in some polls remained "on the low side" and would even drop somewhat at times. That was another dangerous signal to the U.S. Democrats. Clinton needed a face lift. All such needs caused Clinton to decide to resolve the Haitian issue, even at the cost of bloodshed.

The "Monroe Doctrine" Does Not Work Well Any Longer

The U.S. policy toward the Haitian crisis is actually an important component of its Latin America policy. The United States has always looked upon Latin America as its "backyard"—its realm of influence. The basis of this theory can be traced back to the Monroe Doctrine in 1823, whose core is precisely: "America Belongs to Americans." This doctrine is also called "the Western

Hemisphere concept," which believes that the United States and Latin America share "common interests" and the representative and "protector" of Latin America is none other than the United States. Should Latin American countries be invaded by forces outside the American Continent, the United States is responsible for protecting them. Under the guidance of "the Western Hemisphere concept," the United States has always regarded its own interests as the interests of all Western Hemisphere countries. In the wake of World War II, the United States has been doing whatever it liked in that region through a series of treaties, agreements, and regional organizations, even pressing Latin American countries to approve U.S. intervention in various American countries.

Since 1900, the United States has conducted military intervention on some 20 occasions in Latin America, half of which taken place in the Caribbean region. Beginning with U.S. military intervention in Panama in 1903, neither Honduras, Cuba, Nicaragua, Mexico, Dominica, Guatemala, nor Grenada have escaped the "care" of Uncle Sam. Some countries, including Panama, Cuba, Mexico, Nicaragua and Dominica, have been invaded by the U.S. Army on more than one occasion.

Regarding Haiti, the U.S. Armed Forces sent its troops there in July 1915 under the pretext of turmoil and stayed there for the next 19 years until the U.S. withdrawal in 1934.

Particularly worth mentioning is the fact that with the march of time, eye-catching changes have taken place in Latin American countries' attitude toward the United States. Out of various considerations in the past, many Latin American countries hoped to establish certain "special relations" with the United States on the basis of pan-Americanism. With the escalation of the "Cold War" after World War II, the United States allied itself with many Latin American countries. Consciously or otherwise, those Latin American countries chimed in on U.S. policy of intervention under pressure. However, during the war between Britain and Argentina in their contention over the Malvinas [Falklands] in 1982, the United States sided with Britain and even approved that the EC exercise economic sanctions against Argentina. This roused the doubts of Latin American countries about the United States, who had always flaunted the idea of sharing "common interests" with Latin American countries. They began to openly say "no" to U.S. actions in Latin America. When the United States invaded Grenada and Panama in 1983 and 1989 respectively, it met opposition from many Latin American countries. When the United States sent its troops to Haiti in the name of the United Nations this time, it met similar opposition.

Making Its Strategic Readjustment

After World War II, the grave confrontation between the two military blocs headed by the United States and the

USSR became the dominant factor affecting international relations. At that time, the United States handled its relations with Latin American countries from the strategic angle of containing communist influence and the expansion of Soviet influence, while adopting a policy of supporting and tolerating some Latin American juntas. In actual fact, the USSR was the sole demarcation line in U.S. Latin America policy. As long as those countries opposed the USSR and communism, the United States would support them and paid no heed to whether or not they practiced autocracy or dictatorship. On the other hand, the United States would turn a blind eye on issues in the Latin American region itself, including such serious social issues as unequal distribution and the aggravation of impoverishment.

With the end of the Cold War, the United States has changed from the angle of contending for global hegemonism with the USSR to reinvigorating its domestic economy as the starting point in weighing its relations with Latin American countries, while paying greater attention to bilateral cooperation with Latin American countries in economic and trade relations. The "American Initiative" set out by the Bush Administration on 27 June 1990 was an embodiment of this change in thinking. As a first step in implementing the "American Initiative," the United States, Canada, and Mexico started talks over the establishment of NAFTA in June 1991. In December 1992, the three countries officially signed NAFTA, which officially came into effect early this year.

The Clinton Administration has basically continued the Latin America policy of the later Bush Administration; however, it does have its own special characteristics, namely:

1. Greater importance is attached to Latin America, with prominence given to economic interests. Shortly after NAFTA came into effect, President Clinton initiated, on 11 March last, a call for a Latin American summit in Miami in early December this year. This will be the third summit of its kind in American history (there has been a 27-year span since the last summit) and the first time such a summit will be held on U.S. soil. Observers believe that this action by Clinton aims to demonstrate and consolidate U.S. guidance in its "backyard" in an attempt to include the progress of unification of Latin American unification onto the track of U.S. interests.

2. Still greater stress is laid on "democracy" and "human rights." At the American Council in New York in May 1993, U.S. Deputy Secretary of State Wharton discussed the Latin American policy of the Clinton Administration in full detail. He said: "Clinton promises to establish a genuine partnership with American countries—a democratic community, augmenting democratic mechanisms, safeguarding human rights, striving for social justice, supporting economic reform and free market... and building a Western Hemisphere of free trade." "The United States will promote Western Hemisphere countries

to improve their human rights conditions and augment a democratic mechanism through its aid and influence."

3. Attention will be paid to safeguarding security and stability in the region under U.S. guidance. On the one hand, the United States has adopted the practice of augmenting bilateral ties and utilizing more multilateral mechanisms to give all out support to "democratic government"; on the other, it would isolate, attack, and even resort to force to deal with such "rebels" as Cuba and Haiti. In the eyes of the Clinton administration, during the Bush administration, the United States succeeded in throwing Panama's military strong man Noriega into prison, and overthrowing the Nicaraguan Sandinist National Liberation Front; consequently, the overwhelming majority of Latin American countries have realized democratization and pluralism. Haiti remained the only nondemocratic country under the rule of a Junta and this could not be tolerated.

In a nutshell, U.S. policy toward Latin America has evolved from the postwar policy pursued by several administrations, which was characterized by maintaining the Pan-American political and military alliance with the United States being its leader and U.S. aid as the key to: Deal with Soviet expansion in the Western Hemisphere; exert efforts to set up a political, economic and strategic alliance with NAFTA as its axis, the United States playing the leading role, and political and economic ties as the means; and to achieve its ultimate goal of building a "Western Hemisphere Democratic Community" to counter the structural basis for the shaping of European and Japanese economic groups.

Despite the fact that Latin American countries have taken long strides in development since the 1960's, and their sense of sovereignty and national awareness has been greatly enhanced, they still have to depend on U.S. help and support in overcoming their own economic difficulties and resolving social issues, thus magnifying the U.S. role in Latin America to a certain degree.

Commenting on U.S. policy toward Latin American countries, a Russian GUDOK article said: "This is a history filled with interventions, which were all conducted under the banner of the 'Monroe Doctrine.' Although the forms of U.S. interventions in Latin America may vary, their major purpose was one—namely, to support those governments which were useful to Washington." How true it is!

Canadian Prime Minister Chretien Continues Visit

Li Peng Hosts Banquet Meeting

OW0811170594 Beijing XINHUA in English 1635
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—Chinese Premier Li Peng and his Canadian counterpart Jean Chretien tonight expressed their full

confidence in the prospects for bilateral relations, and continuous growth of two-way trade in particular.

The two premiers attended a grand banquet hosted by Chairman Andre Desmarais of the Canada-China Business Council in celebration of the 14th anniversary of the founding of the council.

Addressing the banquet, Chretien noted that he is leading the largest trade mission from Canada to China, which includes Canadian provincial premiers, territorial leaders, mayors, business leaders and representatives of nongovernmental organizations.

"I am proud of this demonstration of our commitment to strengthening our partnership with China," he said.

He added, "this trip is a reaffirmation of our deep and historic friendship with China." He said he believed that the two nations "can accomplish great things working together".

Noting that China is now Canada's fifth-largest trading partner, he said the mutual trade is valued at about five billion Canadian dollars.

Today in Beijing Canadian and Chinese businesses signed new commercial agreements worth over five billion Canadian dollars, he said.

"I am confident that our two-way trade will continue to grow. I believe that the goal of 20 billion Canadian dollars-worth of trade between our two nations is possible by the year 2000," he said.

He urged the two sides to work together to meet this goal.

In his speech, Li Peng described Prime Minister Chretien's China visit as "an important one in the history of bilateral ties".

Li noted that Chretien is leading a team of close to 400 entrepreneurs to China, which is not only the largest trade mission from Canada to China ever in history, but also the largest foreign delegation that China has played host to.

This fully shows the great interest of the Canadian Government and enterprises in China and also their sincere aspiration to develop bilateral relations, he said.

He noted that he and President Jiang Zemin had held fruitful meetings and talks with Chretien. The two sides had exchanged views on bilateral relations and other issues of common concern in a sincere, candid and friendly atmosphere, he said, and "Chretien's visit has achieved complete success".

Li said that fruitful results have been achieved over the past few days as a result of wide business contacts between entrepreneurs of the two countries.

China is a developing country, now opening wide to the world. Its economy is growing vigorously and it provides a vast market for all countries in the world, including Canada, Li said.

Li said that this market is huge and competitive, adding that China welcomes Canadian entrepreneurs to become involved in equal competition by relying on their advantages.

He said that China has set a goal for the establishment of a socialist market economy, and its reforms in every field are progressing.

Now China is stable politically and its economy is growing rapidly, which will provide favorable conditions for the growth of China-Canada economic relations and trade, he said.

He expressed the belief that Chretien's visit to China will help promote an all-round development of bilateral ties, including those in economic co-operation and trade.

This afternoon Vice-Premier Zhu Rongji met with Chairman Andre Desmarais, Senator Jack Austin of the Canada-China Business Council and other council members who are accompanying Chretien on his visit.

More on Banquet Meeting

OW0911014594 Beijing XINHUA Domestic Service in Chinese 1522 GMT 8 Nov 94

[By reporter Feng Xiuju (7458 4423 5468)]

[FBIS Transcribed Text] Beijing, 8 Nov (XINHUA)—Chinese Premier Li Peng and Canadian Prime Minister Jean Chretien tonight expressed their full confidence in the prospects for bilateral relations, and continuous growth of two-way trade in particular.

The two premiers attended a grand banquet in the Great Hall of the People, hosted by the Canada-China Business Council in celebration of the 14th anniversary of the founding of the council.

Addressing the banquet first, Chretien noted that the delegation he is currently leading is composed of Canadian provincial premiers, two territorial commissioners, and business leaders, fully showing Canada's determination to strengthen its cooperative relations with China.

He said his current visit to China is aimed at further consolidating and enhancing the traditional friendship between Canada and China. He believes that Sino-Canadian cooperation will certainly be a success, with an inestimable future.

Chretien said: China is now Canada's fifth-largest trading partner and mutual trade is valued at about 5 billion Canadian dollars. Many Chinese and Canadian enterprises have signed agreements in Beijing today, and other enterprises of the two countries will sign agreements in Shanghai later. The new commercial agreements are worth over 5 billion Canadian dollars. He said: "I am confident that our two-way trade will continue to grow. I believe that the goal of 20 billion Canadian dollars-worth of trade between our two

nations is possible by the year 2000. We are willing to work hard together to attain the goal."

Li Peng made an impromptu speech during the banquet. He congratulated the Canada-China Business Council on its 14th anniversary and praised its effective efforts to develop friendly and cooperative relations, particularly economic and trade relations, between the two countries.

He said: Prime Minister Chretien's current visit to China is a very important one in the history of Sino-Canadian relations. More than 20 years ago, Prime Minister Trudeau took the lead in making the policy decision on establishing diplomatic relations with China, making Canada the first country to do so among Western nations, and showing his sagacity and foresight. Chretien, then one of Trudeau's cabinet members, was active in promoting the normalization of Sino-Canadian relations. His visit to China in the capacity of prime minister has now pushed Sino-Canadian relations to a new stage.

Li Peng said: The prime minister is leading a group of close to 400 entrepreneurs, which is not only the largest trade mission from Canada to China in history, but also the largest foreign delegation China has played host to. This fully shows the great interests of the Canadian Government and enterprises in China, and also their sincere aspiration to develop friendly bilateral relations.

He noted that he and President Jiang Zemin had held fruitful meetings and talks with Chretien. He said: The two sides have comprehensively and thoroughly exchanged views on bilateral relations and other issues of common concern in a sincere, candid and friendly atmosphere. Prime Minister Chretien's visit has achieved complete success.

Li Peng said that fruitful results have been achieved over the past few days as a result of wide business contacts between entrepreneurs of the two countries. He congratulated them on the good results.

He said: China is a developing country, now opening wide to the world. Its economy is growing vigorously and it provides a vast market for all countries of the world, including Canada. This market is huge and competitive. China welcomes Canadian entrepreneurs to become involved in equal competition by relying on their advantages.

He said: China has set a reform goal for the establishment of a socialist market economy, and its reforms in every field are progressing. China is now stable politically and its economy is growing rapidly, which will provide very favorable conditions for the expansion of Sino-Canadian economic cooperation and trade. He expressed the belief that Prime Minister Chretien's visit to China will help promote an all-around development of bilateral ties, including those in economic cooperation and trade.

Li Peng said he is full of confidence in the prospects for Sino-Canadian relations.

Vice-Premier Zhu Rongji met with Chairman Desmarais, Senator Austin of the Canada-China Business Council, and other council members who are accompanying Prime Minister Chretien on his visit. The meeting took place in the Great Hall of the People this afternoon.

Zou Jiahua Meets Chretien

OW0911081894 Beijing XINHUA in English 0712
GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—Chinese Vice-premier Zou Jiahua met with visiting Canadian Prime Minister Jean Chretien and his party here today.

Zou recalled that he had a cordial, friendly and fruitful talk with the prime minister when he visited Canada in April this year. "I am very pleased to meet you again in Beijing," he added.

Zou said that when he was in Canada he could feel the Canadian people's friendly sentiments towards the Chinese people and the Canadian people's strong wish for a closer bilateral relationship.

Zou congratulated the prime minister on the success of his China tour as the two sides have signed a series of cooperative agreements and letters of interest.

Zou added that this will push forward the development of bilateral cooperative relations, saying that the growth of such relations is not only in the fundamental interest of the two peoples but also beneficial to the peace and prosperity in the world. Expressing pleasure over his successful visit in China, Chretien said that Canada will carry out those cooperative agreements properly and the Canadian Government is to supervise the work to ensure the quality of these projects.

Chretien said that Canada and China enjoy a strong economic complementarity and the two countries have a broad prospect for cooperation.

He continued that Canada sees good cooperative opportunities in China, hoping to strengthen cooperation with China in science, technology, communications and energy.

He noted that Canada will encourage more Canadian enterprises, especially small- and medium-sized ones, to invest in China.

Zou welcomed more Canadian enterprises to be involved in China's economic construction.

Zou noted that China and Canada have their own advantages and they can help and learn from each other, adding that cooperation between enterprises of the two countries profitable to both sides.

Some Canadian provincial governors who were present at the meeting said that they have noticed the broad prospect for expanding bilateral cooperation during their

visit here and the visit has increased their confidence in bilateral long-term economic and trade cooperation.

After teeting, Chretien and his party left here by special plane for Shanghai.

Li Peng Meets Chinese-Canadian Doctor

OW0811164694 Beijing XINHUA in English 1615
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—Chinese Premier Li Peng met with Dr. Wah Jun Tze, a Chinese-Canadian professor of medical science, and his wife here this evening.

Li said he admired Dr. Tze for his positive efforts in promoting Sino-Canadian exchanges in medical science, especially the co-operation in pediatrics.

The Chinese premier also expressed his thanks for the useful work that Tze has done for the Canada-China Children's Health Foundation, which was established in 1987 at the initiative of Dr. Tze.

Li hoped that the co-operation between China and Canada in the field of medical science would be furthered.

Dr Tze who has visited China many times before, said that the importance that the Chinese Government attaches to the country's public health, including the health of children, and the achievements it has scored in this field, have been praised by the World Health Organization and the UN Children's Fund.

He noted that he would make further efforts to enhance Canada-China co-operation in medical science.

Chinese Minister of Public Health Chen Minzhang was present on the occasion.

China, Canada Sign Over 50 Cooperation Documents

OW0811130794 Beijing XINHUA in English 1215
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—China and Canada signed over 50 cooperation contracts or letters of intent here this afternoon.

These documents, valued at five billion Canadian dollars (about 3.68 billion U.S. dollars), cover machinery, power, manufacturing, processing, forestry, agriculture, culture, education, and so on.

Visiting Canadian Prime Minister Jean Chretien attended the signing ceremony.

He said that the fact that about 300 Canadian businessmen took part in the signing indicates a smooth development of relations between Canada and China.

The object of his China trip to further bilateral trade and economic relations has been reached, he added.

Before the signing ceremony, Chretien attended the annual general members' meeting of Canada-China Business Council and answered questions by some attendants.

In addition, Chretien's wife Aline Chretien visited the Beijing Stars-Rain Education Institute for Autistic Children here this morning.

Shanghai Establishes Friendly Port Tie With Vancouver

OW0911125494 Beijing XINHUA in English 1045
GMT 9 Nov 94

[FBIS Transcribed Text] Shanghai, November 9 (XINHUA)—China's Shanghai Harbor Bureau today signed an agreement with a Canadian delegation from Vancouver Harbor on the establishment of the friendly ties between the two harbors.

Among those present at the signing ceremony were visiting Canadian Prime Minister Jean Chretien who arrived here from Beijing earlier today, and Vice-Mayor of the Shanghai Municipality Sha Lin.

Vancouver is the ninth port city in the world to forge friendly ties with Shanghai which has already set up such relationship with port cities of the United States, Japan, Belgium and France. The Shanghai Harbor is the largest port in China. Since 1984, its annual handling capacity has surpassed 100 million tons. At present, it has established trade links with more than 160 countries and regions and more than 400 harbors in the world.

Vancouver Harbor with its annual handling capacity of more than 70 million tons is one of the largest ports in North America.

Over the past few years, the two harbors have put forward suggestions on strengthening cooperation and technological exchanges in transportation and conducting business talks.

Northeast Asia

Beijing To Screen Film Based on 'Nanjing Massacre'

OW0811135894 Beijing XINHUA in English 0901
GMT 8 Nov 94

[FBIS Transcribed Text] Nanjing, November 8 (XINHUA)—A film based on "the Nanjing massacre" is to be screened in January 1995 as part of the activities to commemorate the 50th anniversary of the victory in the world anti-fascist war.

"The Nanjing Massacre" will focus on the brutal damages caused by war to man, cities and the land.

Wu Ziniu, director of the film, said that he hoped the film would make the world more aware of how the Chinese people were atrociously trampled upon by Japanese militarists.

Li Peng Meets ROK Foreign Trade Association Group

OW0811144194 Beijing XINHUA in English 1428
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—Chinese Premier Peng met here this evening with a delegation from the Foreign Trade Association of the Republic of Korea (ROK) headed by the association's president Ku Pyong-hoe.

During the meeting in the Great Hall of the People Li said that his recent ROK visit had been successful and had left happy memories with him and his party.

Li said he expected that enterprises from China and the ROK would increase their exchanges and constantly expand their co-operation.

The ROK Foreign Trade Association, together with other ROK economic bodies, hosted a welcoming banquet in honor of Li during the Chinese premier's recent visit to the ROK. At the banquet, Li delivered a speech on China's reform and opening-up, economic construction, and Sino-ROK trade and economic co-operation.

Ku said that Li's successful visit to the ROK had also left a deep impression on the people of that country.

The Chinese premier's visit to many ROK enterprises during his stay in the country was a great inspiration to the ROK businessmen and entrepreneurs, Ku said, and his association is willing to make unremitting efforts for closer ROK-China economic co-operation and trade ties.

The ROK Foreign Trade Association, with 25,000 enterprises as its members, is the largest trade-promotion institute in the ROK. And the delegation, which arrived here Monday at the invitation of the China Council for the Promotion of International Trade, will also visit Jinan, capital of Shandong Province, Shanghai, China's leading industrial city and Guangzhou capital of south China's Guangdong Province.

Li Peng Gives News Conference in ROK

HK0911105394 Hong Kong TA KUNG PAO in Chinese
5 Nov 94 p 2

["Special dispatch": "Full Text of Li Peng's Answers to Reporters' Questions in the ROK"]

[FBIS Translated Text] Cheju island, ROK, 4 Nov (TA KUNG PAO)—Chinese Premier Li Peng held a news conference in the Silla Hotel, Cheju island, this morning, during which he answered Chinese and foreign reporters' questions. The following is the full text of the questions and answers.

[Premier Li Peng] Good morning, ladies and gentlemen.

I am currently paying a formal visit to the ROK at President Kim Yong-sam's invitation. During my visit,

President Kim Yong-sam and I have conducted wide-ranging [guang fan 1639 3131], in-depth [shen ru 3234 0354], frank [tan cheng 0982 6134], and friendly [you hao 0645 1170] talks on international issues, regional issues, and bilateral relations. I have also met political figures from your esteemed country, the prime minister, and the National Assembly speaker, and visited very modernized factories. Prior to the conclusion of our visit, we came to the Cheju Island, which has beautiful scenery, to conclude our current tour. I feel that my visit has been greatly tinged with a poetic touch and I am quite satisfied with this visit. I hope the media will appraise my current visit as being satisfactorily successful. But it would be better for you all to make that remark. Now, I am willing to answer everyone's questions.

[KBS Television reporter] I am a KBS Television reporter. Following the conclusion of a basic agreement in Geneva on the nuclear issue between the United States and the DPRK, everyone has now focused their concern on the conscientious implementation of the agreement. What role will China play in this respect?

The U.S.-DPRK Nuclear Agreement and Peace Between South and North Korea

[Li] First, the Chinese Government welcomes the agreement reached between the United States and the DPRK on the nuclear issue. We are of the opinion that this will help ease the situation in the Korean Peninsula and also the regional situation. Of course, the Chinese Government wholeheartedly supports the agreement and also hopes for its implementation. The Chinese Government will support the implementation of this agreement in its own way.

[KUNGMIN ILBO reporter] I am a KUNGMIN ILBO reporter. I would like to ask a question on the armistice agreement. The ROK Government has always maintained that if the cease-fire agreement must be replaced, South and North Korea must directly hold negotiations to replace the armistice agreement with another type of peace mechanism. However, North Korea now wants to discuss the replacement of this peace mechanism by holding negotiations with the United States. How does China view this problem?

[Li] China is quite concerned about peace and stability in the Korean Peninsula because China wishes to have peaceful surroundings. On the armistice agreement, I think all relevant parties, including the ROK, the DPRK, and the international community, support this agreement and it should continue to remain in force until a new mechanism is established. Of course, there is a need to establish a new peace mechanism in the Korean Peninsula. In our opinion, the establishment of this mechanism needs the participation of all relevant parties, including the ROK and the DPRK.

Visit Bears a Strong Economic Flavor

[CCTV reporter] I am a Central Television reporter. I would like to ask the premier why, during your current

tour, you selected three enterprise groups, including Hyundai, to visit? Does this mean that China has closer relations with these three enterprise groups than others and that in the future there will be more cooperation? In addition, during your talks with President Kim Yong-sam, you mentioned China's readiness to expand the field of cooperation. Does this economic cooperation include the automobile and shipbuilding industries?

[Li] The first point in your questions I would like to answer is: If I had longer time to visit the ROK, I would be willing to tour more factories. I visited these three factories because they are very famous in the ROK; they also have strong economic forces and very high technology. The ROK Government recommended them to us. Apart from these, of course, there are other very good enterprises in the ROK, including the Pohang Iron and Steel Company, which is a very good enterprise. But, because my time was limited, I regret to say I did not go to this factory. My current visit bears a strong economic flavor. We have signed an aviation agreement—an agreement to jointly develop passenger planes. We have also signed an agreement on the peaceful use of atomic energy. So, some of the factories we visited are indeed our objectives for cooperation. In the past we have signed agreements on four projects—automobiles, high resolution TV sets, program controlled telephone exchanges, and planes. We are currently discussing increasing nuclear energy cooperation. As I said just now, some of the factories we visited are indeed our future partners in cooperation.

Maintaining Good Relations With the North and the South

[WEN WEI PO reporter] I am a reporter from Hong Kong's WEN WEI PO. China and the DPRK have maintained friendly cooperative relations for a long time. Since the establishing of diplomatic relations between China and the ROK two years ago, they have built good-neighborly and friendly relations. Mr. Premier, you are visiting the ROK before your DPRK tour. Will this affect China's relations with the DPRK to a certain degree?

[Li] China carries out an independent and peaceful foreign policy and pays particular attention to maintaining good-neighborly and friendly relations. We do not handle relations between countries according to different ideologies and social systems. As long as both sides abide by the Five Principles of Peaceful Coexistence, the relations between them will develop smoothly. Therefore we maintain good relations with both the ROK and the DPRK. This Chinese stand will help stabilize the situation in the Korean Peninsula. I think this is beneficial to the people of the ROK and the DPRK.

[Unidentified reporter] I would like to ask a question. To provide light water reactors for the DPRK, the international community will form a financial group. Will China join this financial group? If China joins, what role

will it play? During the current talks, did the ROK Government ask China for its participation in this financial group?

[Li] I have just clearly answered this question, namely that China supports this agreement and eagerly hopes to see its proper implementation. China supports the implementation of this agreement and will help resolve this problem through its own methods, such as the method of dialogue, the method of consultation, which China used in handling the nuclear inspection issue. This is China's stand. On this question in the future China will, of course, use its unique methods, methods which correspond with China's national conditions, to support this agreement.

[MBC TV reporter] I am a reporter from MBC TV. Our ROK people are very much concerned about the developments in the DPRK, such as the succession in the leadership and Kim Chong-il's health. The ROK people are very much concerned about these. I am not sure if you can tell us anything about these two points.

[Li] The DPRK is a sovereign state. It is true that our relations with the DPRK are very good but China and the DPRK are two countries, after all. There are many things which I must not say I know. I am also very concerned about the two points you mentioned, but I regret to say I have no information to provide to you. If you are willing to provide me with it, I will welcome it. You from the media are well-informed.

Visit Is Beneficial to Bilateral Comprehensive Cooperation

[XINHUA reporter] I am a XINHUA reporter. Just now you expressed your appraisal of the DPRK-U.S. Framework Agreement on the Nuclear Issue. Will you talk further about the significance of your current visit in preserving the peace and stability of the Korean peninsula?

[Li] My current visit is a state visit, during which we held talks with ROK President Kim Yong-sam and other leaders on a wide range of issues, including the situation in the Korean peninsula and bilateral relations. Therefore, I hope that my current visit will be conducive to peace and stability in the Korean peninsula. But I should say that what is more significant is the bilateral relations we have discussed. Therefore, I believe that my visit will be beneficial to Chinese-ROK cooperation in the economic, political, cultural, and other fields.

[SEGYE ILBO reporter] I am a SEGYE ILBO reporter. The ROK now maintains that to materialize peace and stability in the peninsula, the ROK and the DPRK must reopen their dialogue. China has also expressed the hope that the peninsula's situation should move toward peace and stability and it also supports south-north dialogue. Therefore I would like to know China's idea on south-north dialogue and China's role in this respect.

[Li] I think I have dealt with this point many times. As we see it, the talks on the Korean peninsula's situation may proceed at different levels, including multiple levels. Of course, these also include south-north dialogue. We support south-north dialogue.

[CHUNGAN ILBO REPORTER] I am a CHUNGAN ILBO reporter. Under Mr. Deng Xiaoping's leadership, China has continuously made achievements in the course of reform and opening up. Now THAT Mr. Deng Xiaoping is at the advanced age of 90 I would like to ask you about his health. One more point, how will China's situation look like in the period after Mr. Deng Xiaoping?

The Third Generation Leadership Is United and Competent

[Li] All of you may assume this a very sensitive question but I am still willing to answer it. So far, China already has the third-generation leadership core. Deng Xiaoping joined the first-generation leadership core and was also the core of the second-generation leadership. The reform and opening up policy he advocates has indeed brought about great changes to China's economy and has also greatly improved the people's lives. Moreover, he has now formed a full set of theories on building socialism with Chinese characteristics. We hold him in great esteem. The Chinese people praise him as the chief architect of reform and opening up. Now, Deng Xiaoping's theory of building socialism with Chinese characteristics has taken deep root in Chinese soil. I think he will enjoy the people's prolonged support. China has formed the third-generation collective leadership with Jiang Zemin as the core. This collective leadership is united and competent and can lead the Chinese people in making a success of Chinese affairs. We have full confidence in this. Therefore, no one should have doubts on China's political situation. There is some hearsay but we can ignore it.

[ATV reporter] I am a reporter from Hong Kong Asia Television.

[Li] You have dropped a piece of paper on the floor.

[ATV] It is not mine (the reporter finally picked up a reporter's interview permit, which belonged to him).

[Li] That is not a banknote, I suppose (the hall roared with laughter).

China Persists in Three Principles on the Hong Kong Issue

[ATV] Today China and Britain will sign an agreement on the airport financial arrangements. What is your view on this agreement? The second question is: The British Hong Kong Government will submit the bill on the ~~the~~ ^{the} ~~of~~ ^{of} final appeal and members of the Legislative Council may possibly make revisions. What is the Chinese side's view on these revisions?

[Li] Frankly speaking, I am not really willing to answer this question, not because the question embarrasses me but because the venue is not quite appropriate; this is Cheju island, this is the ROK. I am visiting the ROK now and it would be a little inappropriate to answer questions about the Hong Kong issue.

The Chinese Government's stand on the Hong Kong issue is known to everyone. We persist in three principles: The first is the Joint Declaration, the second is the Basic Law, and the third is the agreements concluded by China and Britain. Under any circumstances, the motherland must recover its sovereignty over Hong Kong. In addition, we support the efforts to maintain long-term stability and prosperity in Hong Kong. All actions should be beneficial to these principles and the concluded understanding. We do not support violations of these principles.

[RENMIN RIBAO reporter] I am a RENMIN RIBAO reporter. Respected Premier Li Peng, this is your first visit to the ROK since the normalization of Chinese-ROK diplomatic relations. You have visited Seoul, Pusan, and Cheju. What are your impressions of the ROK?

[Li] My impressions are quite good. The ROK has built up the country so well in a very short period of time. There are many modernized enterprises and the markets are thriving. I also feel that China can learn from this good experience in many aspects and can also carry out cooperation and exchanges with this country. I think, like all other countries, it also has shortcomings. But the cars and planes we traveled in were so fast that, I am afraid, we could not see these shortcomings.

Jiang Zemin Has Accepted the ROK Invitation To Visit

[Unidentified reporter] I am a Seoul reporter. I have two questions to ask. First, following the conclusion of the relevant agreement in Geneva by the United States and the DPRK, the situation in the Korean Peninsula will change. Can we predict that this will bring about reform and opening up in the DPRK? If the DPRK introduces reform and opening up, what method will China adopt in support? Another question is: Before Your Excellency's visit to the ROK, the ROK people cherished great hopes of President Jiang Zemin's visit to this country. I am sure there is a detailed plan for President Jiang Zemin's ROK visit.

[Li] The first question. You said the conclusion of the agreement between the United States and the DPRK is beneficial to peace and stability in the Korean Peninsula. I agree with you on this point. Viewed from this angle, this will also be favorable to economic development in the south and the north and to improving the living standards. It will also provide a good economic development opportunity. As I see it, a country's people and government can decide what policy to practice, what road to take, and what system to exercise in the country. China has never interfered in other countries' internal

affairs, nor will it force its reform formula or development method on any other countries. But one point is clear, of course. If both sides are willing to exchange experience in building their countries, we welcome this and our door is open. When President Kim Yong-sam visited China in March this year, he formally invited President Jiang Zemin to visit the ROK and President Jiang Zemin happily accepted this invitation. In the near future, in several days time, they will attend an Asia-Pacific Economic Cooperation summit, and a schedule has been worked out for a meeting between Presidents Jiang Zemin and Kim Yong-sam. As far as I know, President Jiang Zemin is very much concerned about the smooth development of Chinese-ROK relations. He is also very much concerned about my current visit and is very interested in coming to the ROK for a look—for a look at the development here. As to the date of his visit, I think this should be decided by both sides' foreign ministries through consultations so that he can visit this country at both sides' convenience.

Shanghai-ROK Container Corporation Launched

OW0911120994 Beijing XINHUA in English 1059
GMT 9 Nov 94

[FBIS Transcribed Text] Shanghai, November 9 (XINHUA)—A Shanghai-ROK container manufacturing corporation has been officially inaugurated after the signing of an agreement here yesterday.

The Shanghai Hyundai Container Manufacturing Co. Ltd. is a joint venture between the Shanghai Huahai Container Manufacturing Co. Ltd. attached to the China National Shipbuilding Corporation and the Hyundai Precision and Ind. Co. Ltd. of the Hyundai Group of the Republic of Korea.

With a total investment of 25 million U.S. dollars, the joint venture is designed to produce 41,000 standard containers, with over 90 percent of them to be sold overseas.

The corporation is located in Baoshan District near three largest international container docks in Shanghai.

Southeast Asia & Pacific

Commentary Previews Jiang's Southeast Asia Trip

OW0911145894 Beijing China Radio International in Mandarin to Asia 0900 GMT 8 Nov 94

[From the "Report on Current Events" program]

[FBIS Translated Text] Listeners and friends, Chinese President Jiang Zemin left for Singapore on 8 November to begin a trip to Southeast Asia. Please listen to the following report by this station's reporter, (Du Ping):

President Jiang Zemin's visit to Southeast Asia has two major purposes: One is to visit Singapore, Malaysia,

Indonesia, and Vietnam; the other is to attend an informal leadership conference of the Asia-Pacific Economic Cooperation [APEC] forum, scheduled to be held in Indonesia. The visit to the above four countries is Jiang Zemin's first trip to Southeast Asia and is China's major diplomatic move to consolidate and develop relations with neighboring countries. Developing friendly cooperative relations with neighboring countries is a key point in China's foreign policy, and developing friendly cooperative relations with the masses of developing countries is the foundation of China's foreign policy. The four countries Jiang Zemin will be visiting are both China's neighboring countries and developing countries. Therefore, his visit to the above four countries is of great significance.

Besides Qian Qichen, vice premier and minister of Foreign Affairs, there are more than 10 officials at the ministerial level in the delegation. During his visit to the four countries, Jiang

Zemin will meet with leaders of various countries and exchange views with them on bilateral relations and regional and international issues. In addition, President Jiang Zemin will extensively establish contacts with people from various circles in the four countries, and give speeches on China's domestic situation and foreign policy. An official from China's Ministry of Foreign Affairs said: China hopes Jiang Zemin's visit will help China fulfill the wish of reaching further consensus with other countries, enhancing mutual trust, and promoting bilateral cooperation. At present, China's relations with the above four countries are developing steadily, the exchange of visits between high-ranking leaders of China and these countries become more frequent, the momentum for economic and trade cooperation is increasing, and the prospects of cooperation are bright. The official said: Jiang Zemin's visit will not only promote friendly relations with the above four countries, but will also promote relations with other ASEAN countries.

This is President Jiang Zemin's second time to attend the informal APEC leadership conference since the Seattle meeting last year. According to the meeting schedule, leaders of APEC members will hold a meeting in Bogor, a city near Indonesia's capital Jakarta, on 15 November. At the meeting, President Jiang will deliver speeches on Asia-Pacific regional affairs, the international situation, and China's stand on the regional economy. He will also hold consultations with APEC leaders on free trade development in the Asia-Pacific region. Before and after the meeting, President Jiang Zemin will hold bilateral talks with some APEC leaders, including Japanese Prime Minister Tomiichi Murayama, South Korean President Kim Yong-sam, Australian Prime Minister Keating, and others. Among these meetings, his meeting with U.S. President Clinton will attract the most attention. Last year, during the unofficial meeting of APEC leaders in Seattle, leaders of China and the United States held their first formal talks.

The two leaders reached consensus on bilateral relations and many international issues. Since then, relations between China and the United States have continued to develop and improve. In recent years, the exchange of visits between Chinese and U.S. high-ranking officials has become frequent. So far, three Chinese vice premiers have visited the United States and the secretaries of four U.S. departments have visited China. Bilateral trade volumes continue to grow steadily. Generally speaking, both China and the United States attach importance to bilateral relations and the prospects for cooperation are good. Their second meeting in Indonesia will have a profound and major influence on Sino-U.S. bilateral relations and world peace and development.

Burma To Establish Economic Zone on Border With PRC

OW0911043394 Beijing XINHUA in English 0425
GMT 9 Nov 94

[FBIS Transcribed Text] Yangon [Rangoon], November 9 (XINHUA)—"The government is striving to establish economic and trade zone for the progress of border towns and economic development of the people in the region."

The remarks was made by the First Secretary of Myanmar [Burma] State Law and Order Restoration Council (SLORC) Lieutenant-General Khin Nyunt when he inspected Muse, a Myanmar town on Myanmar-China border, according to an official report available here today.

He also introduced the plans to allot plots of land to entrepreneurs and merchants of Myanmar to invest in the zone.

The plan allows visitors to come through borders with China for an over-night stay in Myanmar.

Meanwhile, the 14.4 kilometers long Mongyu-Muse road in border area, jointly built by Myanmar and China with the cost of 5.2 million Chinese yuan (0.612 million U.S. dollars), was opened Tuesday to assist the trade and development in border areas.

Lao Deputy Premier Meets PRC Telecommunications Minister

OW0811145394 Beijing XINHUA Domestic Service in Chinese 1359 GMT 7 Nov 94

[By reporter Li Guotian (2621 0948 1131)]

[FBIS Translated Text] Vientiane, 7 Nov (XINHUA)—Lao Deputy Prime Minister in Charge of Economic Affairs Khamphoui Keoboualapha met here with visiting Chinese Minister of Communications Huang Zhendong and his party this afternoon. They exchanged views on issues related to Lao-Chinese relations and economic cooperation, especially cooperation in communications and Mekong River development.

Khamphoui said: The longstanding Lao-Chinese friendly relations have been expanding continuously. During the period of economic construction, Laos and China worked hand in hand and supported each other.

He said: In developing the economy, Laos has given top consideration to developing communications undertakings. To step up cooperation with China in the field of communications, Laos plans to repair the north-south No. 13 highway to link it up with China's border highway in Laos' north.

Khamphoui said: Mekong River development is an issue of common concern among the six nations in the river valley. Laos welcomes the "Lancang Jiang-Meong River Passenger Transportation Agreement," to be signed during the Chinese minister's visit. He expressed hope for strengthening bilateral cooperation in all fields.

Huang Zhendong said: Close cooperation between China and Laos will play an important role in promoting Lancang Jiang-Mekong River navigation, as well as the economic development of Chin, Laos, Burma, and Thailand.

Lao Transportation Minister Bousthong and Chinese Ambassador to Laos Li Jiazhong took part in the meeting.

Huang Zhendong and his party arrived here today after winding up a visit to Thailand.

Philippine, Chinese Presidents To Meet in Jakarta

OW091115894 Beijing XINHUA in English 1132
GMT 9 Nov 94

[FBIS Transcribed Text] Manila, November 9 (XINHUA)—Philippine President Fidel Ramos will hold bilateral meeting with Chinese President Jiang Zemin in Jakarta on November 14 on the occasion of their participation in the Asia-Pacific Economic Cooperation (APEC) leaders' informal meeting, the presidential palace announced today.

President Ramos also will hold separate meetings on the same day with other five heads of state and government of APEC member countries. They are Indonesian President Suharto, Canadian Prime Minister Jean Chretien, Australian Prime Minister Paul Keating, Chilean President Eduardo Frei Ruiz-Tagle and Mexican President Carlos Salinas de Gortari.

The bilateral meetings will enable president ramos to take up with the six leaders various regional issues such as trade, security and economic cooperation as well as ways of enhancing friendly bilateral relations, the presidential palace said.

The second APEC leaders' informal meeting will be held on November 15 in Bogor, Indonesia.

Reportage on Jiang Zemin's Singapore Visit

Jiang Gives Airport Statement

OW0811160794 Beijing XINHUA in English 1558
GMT 8 Nov 94

[FBIS Transcribed Text] Singapore, November 8 (XINHUA)—Chinese President Jiang Zemin said here today that he hopes his state visit to Singapore will help deepen the understanding and friendship between the two countries.

In an arrival written speech at the airport, the Chinese president expressed the hope that his visit will help "push our friendly relations and cooperation forward to a new broader vista."

Jiang said that during his stay here, he will exchange views with Singaporean leader on bilateral relations as well as regional and international issues.

Jiang said the friendly relations and cooperation between China and Singapore have developed by leaps and bounds since the establishment of diplomatic ties between the two countries in 1990.

"Leaders of our two countries have frequently exchanged visits, our bilateral economic and trade cooperation has been productive and the exchanges between us in the scientific, cultural and other fields have also been busy and buoyant," said the Chinese president.

He also said "the traditional friendship between our two peoples has grown in strength and developed further under the new historical conditions."

Jiang's current three-day visit is his first to Singapore as the Chinese president. Singapore is the first leg of his four-nation Asian tour, which will also take him to Malaysia, Indonesia and Vietnam.

While in Indonesia, the president will attend an informal leadership conference of the Asia-Pacific Economic Cooperation (APEC) forum, scheduled to be held in Bogor near Jakarta on November 15.

Jiang Meets Lee Kuan Yew

OW0811133194 Beijing XINHUA in English 1312
GMT 8 Nov 94

[FBIS Transcribed Text] Singapore, November 8 (XINHUA)—Visiting Chinese President Jiang Zemin said here today that sustained and stable friendly relations between China and Singapore benefit not only the two countries but also peace and prosperity in the region as a whole.

At a meeting with Singaporean Senior Minister Lee Kuan Yew here this afternoon, the Chinese president said Sino-Singaporean relations have enjoyed smooth development in recent years and bilateral cooperation is now developing well in various fields.

There are many areas in which the two countries can complement each other, he said.

Jiang said the Chinese Government is willing to join efforts with Singapore to ensure the success of Singapore-Suzhou industrial park.

He expressed the hope that Singapore will increase investment in China through various channels and expand interflows and cooperation in science and technology, culture, education and other fields.

"We are now at the converging point of the new and old centuries. Asia has been enjoying relative political stability and sustained rapid economic growth," he said.

He expressed the hope that all countries in the region will seize the historic opportunity to consolidate and develop such a situation by strengthening cooperation among them and developing their own economies.

He said that the future of a 21st century Asia is bright and "China is willing to greet, together with Singapore, the new century with enthusiastic efforts in safeguarding peace and in economic development," he said.

At the meeting, Lee spoke highly of the achievements made by China in its reform and opening up to the outside world.

He said China's development and progress have drawn wide attention from other parts of the world.

He said that many international celebrities believe that China is stable and will enjoy greater economic development?

The Chinese president arrived here this afternoon for a three-day state visit to Singapore, the first leg of his four-nation tour which will also take him to Malaysia, Indonesia and Vietnam.

While in Indonesia, he will attend an informal Asia-Pacific Economic Cooperation leadership conference scheduled for November 15.

Further on Meeting

HK0911115594 Beijing CHINA DAILY in English 9
Nov 94 p 1

[By Wang Yong and Xu Yang: "Jiang Kicks Off SE Asian Tour"]

[FBIS Transcribed Text] Singapore—Chinese President Jiang

Zemin arrived here yesterday for a three-day state visit at the invitation of Singaporean President Ong Teng Cheong.

The trip marks the first stage of Jiang's two-week long tour of Southeast Asia, which will take him also to Malaysia, Indonesia, and Vietnam.

In a speech delivered at the airport, Jiang said he would exchange views with Singaporean leaders on bilateral issues as well as international and regional issues of common concern.

"I hope that my visit will promote mutual understanding and friendship between our two nations and peoples," Jiang said.

China and Singapore established diplomatic relations in 1990. Great progress has since been achieved, with leaders from both sides engaged in close contacts and reciprocal visits.

Jiang said that bilateral relations have been beefed up in the political field and also the scientific, cultural, and economic sectors.

Singapore has become one of China's biggest trading partners, with a two-way trade volume topping \$4.8 billion last year, according to Chinese statistics.

Chen Jian, spokesman for the Chinese Ministry of Foreign Affairs, said that Jiang's visit to Singapore and three other nations would consolidate China's long-term ties with enhanced mutual consensus over a wide range of issues.

During talks held yesterday with Singaporean Senior Minister Lee Kuan Yew, Jiang said a long-term stable and friendly relationship between the two countries was beneficial to both sides and to peace and stability in Asia.

"Now we're facing the turn of the century, every nation should grasp this historical chance to preserve stability and rapid economic growth in Asia," Jiang said.

Lee said he thought highly of Chinese reform.

"China's development has aroused interest from all over the world and many agree that China's situation is stable, promising ever better prospects for economic growth," Lee said.

Prior to his departure, Jiang told a press conference: "I will promote mutual understanding, strengthen friendship and cement good neighbourly relations."

Despite visits to Singapore, Malaysia, Indonesia and Viet Nam from November 8 to 22, Jiang will attend the Apec (Asia-Pacific Economic Cooperation) summit meeting on November 15 in Mawuk [as published], Indonesia.

"I will discuss with the four Southeast Asian leaders how to enhance China's relations with the four countries into the next century," Jiang said.

He said China believes the controversy over the Nansha Islands [Spratlys] should be settled through bilateral talks.

He said that China needs just, reasonable, stable, and open trade if the country is to boost its economic development.

Jiang said China appreciates APEC's stand on global free trade as a positive development.

State and party leaders including Li Peng, Liu Huaqing, Hu Jintao and Rong Yiren saw Jiang off at the Great Hall of People.

Singaporean President Holds Ceremony

OW0911045894 Beijing XINHUA in English 0452
GMT 9 Nov 94

[FBIS Transcribed Text] Singapore, November 9 (XINHUA)—Singaporean President Ong Teng Cheong held a grand ceremony here this morning to welcome Chinese President Jiang Zemin, who is on a state visit to Singapore.

The ceremony, which took place following a formal exchange of greetings between the two presidents, was held outside the presidential palace.

A band played the national anthems of China and Singapore. After that Jiang Zemin, accompanied by the Singaporean president, reviewed a guard of honor.

Following the ceremony, the two presidents held a meeting at the palace.

Jiang Zemin arrived here yesterday at the start of his visit to Southeast Asia, which will also take him to Malaysia, Indonesia, and Vietnam.

Jiang Zemin Holds Talks

OW0911083294 Beijing XINHUA in English 0752
GMT 9 Nov 94

[FBIS Transcribed Text] Singapore, November 9 (XINHUA)—Visiting Chinese President Jiang Zemin said here today that China wishes to join efforts with other countries in Asia in promoting peace, steady cooperation and development in the region and the world as a whole.

At a meeting with Singaporean President Ong Teng Cheong here this morning, the Chinese president said the international situation is now undergoing profound and complex changes and the development toward a multipolar world is now gaining speed.

The general situation is conducive to world peace and development, and economy priority [as received] is now becoming a trend in the development of international relations, Jiang said.

He said that it has now become a universal demand of the people of the world that the diversity of the world be recognized and a peaceful, stable, just and rational international political and economic order be established on the basis of the five principles of peaceful coexistence.

At the meeting, Jiang also expressed satisfaction over the smooth development of Sino-Singaporean relations in the past four years since the establishment of diplomatic ties between the two countries.

He said that frequent exchanges of visits between leaders of the two countries helped increase mutual understanding and friendship, and that bilateral relations registered a comprehensive development in various fields such as politics, economy, culture, science and technology, and education.

Jiang said he is willing to explore together with the Singaporean side new ways to strengthen and expand bilateral cooperation and push the ties between the two countries to a higher level.

Jiang expressed appreciation over the contribution made by Ong Teng Cheong to the development of the relations between the two countries, and invited him to visit China next year.

At the meeting, Ong Teng Cheong said he has visited China many times and is following with interest China's construction and development. He accepted the invitation from the Chinese president.

Jiang Meets Singapore Premier

OW0911121294 Beijing XINHUA in English 1200
GMT 9 Nov 94

[FBIS Transcribed Text] Singapore, November 9 (XINHUA)—Chinese President Jiang Zemin held talks here today with Singaporean Prime Minister Goh Chok Tong on bilateral relations as well as regional and international issues.

At the meeting, Jiang said relations between China and Singapore have been developing smoothly since the two countries established diplomatic ties four years ago.

He said that Sino-Singaporean cooperation has been widening, with economic and trade relations rapidly expanding and Singaporean investment in China growing.

Jiang noted that the two countries should strengthen their cooperation in more areas such as science and technology.

He said both countries will benefit from such cooperation since China, which boasts a large force of scientists, has been strong in many areas of basic research while Singapore is good at turning research results into commodities.

Jiang said that the Chinese and Singaporean economies are highly complementary to each other, which promises great potential for cooperation.

During their meeting, the Chinese and Singaporean leaders also discussed the forthcoming informal Asia-Pacific Economic Cooperation (APEC) leadership conference, scheduled to be held in Indonesia on November 15.

President Jiang said that China, which attaches importance to APEC, hopes the forum will play a positive role in promoting economic cooperation for the region's common prosperity.

Jiang said China favors trade liberalization in the Asia-Pacific and this is APEC's long-term goal. He added that China also supports discussions on timetables for realizing such a goal.

Jiang noted that as the economic, social and cultural diversity has been an outstanding feature of APEC members, economic cooperation in the region should proceed from this reality and progress step by step.

In doing so, he emphasized, the interests of all sides should be taken into account and consensus be reached through consultation.

At the same time, Jiang said, the conference also needs to reach a consensus on the contents and basic principles for realizing regional trade liberalization, including granting stable and unconditional most-favored-nation treatment among APEC members.

Singaporean Prime Minister Goh Chok Tong said that the informal APEC leadership meeting should focus its efforts on establishing the principles of trade liberalization. And it is also preferable to work out different timetables for APEC members which are at different stages of development, he added.

Present at the meeting were also Chinese Vice-Premier and Foreign Minister Qian Qichen and other Chinese officials.

Malaysia 'Warmly Expecting' Jiang Zemin Visit

OW0811130494 Beijing XINHUA in English 1011
GMT 8 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 8 (XINHUA)—Malaysia is warmly expecting Chinese President Jiang Zemin's first state visit to Malaysia scheduled from November 10-13.

The Malaysian Foreign Ministry said in a statement that "H.E. [His Excellency] President Jiang's visit is warmly welcomed as it will certainly enhance and strengthen further bilateral cooperation."

The visit "is viewed with added significance by both countries" as this year marks the 20th anniversary of the establishment of diplomatic relations between the two countries currently enjoying "excellent relations," the statement said.

Local newspapers have started to devote their lines or pages to the topic. In its editorial today, SIN CHEW JIT POH said Jiang's Malaysian tour "bears significance to establishing trans-century good-neighbor friendship between the two countries."

Jiang's four nation Southeast Asian trip, which started today to take him also to Singapore, Indonesia and

Vietnam, "is part of China's promotion of its good-neighbored friendship diplomacy," the paper said.

NANYANG SIANG PAU and SIN CHEW JIT POH have carried articles looking back at the exchange of visits by leaders of the two countries, including then Vice Premier Deng Xiaoping's visit to Malaysia in 1978 and Prime Minister Mahathir Mohamad's most recent visit to China in May this year.

"Malaysian-Chinese ties are getting closer with the increasing number of visits by their respective leaders," NANYANG SIANG PAU said on Monday [7 November].

Malaysian Foreign Minister Previews Jiang Visit

OW0811141494 Beijing XINHUA in English 1245
GMT 8 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 8 (XINHUA)—Chinese President Jiang Zemin's four day state visit to Malaysia from Thursday [10 November] will boost bilateral relationship, Malaysian Foreign Minister Abdullah Ahmad Badawi said here today.

"Good and close relations between Malaysia and China have a significant meaning and Jiang Zemin's visit will give it added importance," he was quoted by the Malaysian national news agency BERNAMA as saying.

He told BERNAMA in an interview that he was confident that talks between Jiang and Prime Minister Mahathir Mohamed will produce ideas to widen bilateral ties and encourage trade and investment between the two countries.

Malaysian statistics show that two-trade rose from 0.39 billion U.S. dollars in 1985 [word indistinct] billion U.S. dollars last year.

Adullah said the meeting between two leaders could be used to enhance the outcome of Mahathir's visit to China in June last year when 36 memoranda of understanding and joint-venture agreements worth some 3 billion U.S. dollars were signed.

Abdullah was quoted as saying that Jiang's visit is "very important not only to bilateral relations but also to our involvement in international relations."

Discussions between Mahathir and Jiang are expected to touch on all international issues of common interest.

Jiang Zemin kicked off his four-nation Southeast Asian tour today with Singapore as the first leg, which [word indistinct] by Malaysia, Indonesia, and Vietnam.

He is scheduled to leave here for Jakarta on Sunday to attend the informal meeting of the leaders of the Asia-Pacific Economic Cooperation from November 15.

Malaysia-China Trade Seen Rising

OW0811133494 Beijing XINHUA in English 0742
GMT 8 Nov 94

[FBIS Transcribed Text] Kuala Lumpur, November 8 (XINHUA)—China has become Malaysia's ninth biggest

trading partner with bilateral trade rising to 5.9 billion ringgit (about 2.27 billion U.S. dollars) in 1993, according to Malaysian statistics.

Minister of Housing and Local Government Chew Peh Ting said trade between the two countries jumped from 0.39 billion U.S. dollars in 1985 to 1.23 billion U.S. dollars in 1990 and 1.7 billion U.S. dollars in 1992.

Witnessing the signing of a joint venture agreement between a Chinese and local companies for cement production in Harbin, China, Ting said in Malacca on Monday that investments between the two countries have also been increasing.

"Malaysia-China relationship has strengthened over the last 20 years owing to good diplomatic ties," he said.

This year marks the 20th anniversary (May 31) of the establishment of diplomatic relations between China and Malaysia, and it is seeing the exchange of high-level visits, including Prime Minister Mahathir Mohamed's China tour in May, Deputy Prime Minister Anwar Ibrahim's maiden visit to China in August and Chinese President Jiang Zemin's first state visit to Malaysia scheduled on November 10-13.

Buhe Meets Vietnamese Visitors

OW0811134794 Beijing XINHUA in English 1315
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—Buhe, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation of the National Committee of the National Assembly of Vietnam headed by its Vice-Chairman Cu Hoa Van.

This afternoon, Wang Zhaowen, chairman of the NPC's Nationalities Committee, held talks with the delegation.

The Vietnamese visitors arrived here yesterday. They are also scheduled to tour China's Sichuan and Yunnan Provinces.

Qiao Shi Visits Maori Art Center in New Zealand

OW0811144794 Beijing XINHUA Domestic Service in Chinese 1534 GMT 5 Nov 94

[By reporters Liu Huorong (0491 3499 2837) and Chen Jinjun (7115 6651 6511)]

[FBIS Translated Excerpts] Rotorua (New Zealand), 5 Nov (XINHUA)—Qiao Shi, chairman of the Standing Committee of the Chinese National People's Congress (NPC), today was greeted by Maoris in Rotorua with the traditional custom of nose-touching.

Qiao Shi arrived in Rotorua City this afternoon [5 November] by automobile from Auckland, the largest city in New Zealand. Rotorua City is the main population center of New Zealand's Maoris.

When Qiao Shi arrived at the Maori Art and Handicraft Research Institute, (John Marshall), head of the research center, twice touched his nose with Qiao Shi's to express his welcome to the guest. Afterwards, the host and guest entered the research institute. [passage omitted]

Cao Zhi, secretary general of the Chinese NPC Standing Committee, spoke at a welcoming ceremony on behalf of Qiao Shi, expressing gratitude for the warm hospitality of the Maori Art and Handicraft Research Center and wishing the Maoris a better life.

After the ceremony, Qiao Shi touched noses with all Maoris who attended the welcoming ceremony to express his gratitude.

This evening [5 November], Chairman Qiao Shi attended an evening banquet, featuring Maori customs, hosted by Peter Tapsell, parliament speaker of New Zealand. Later, Chairman Qiao Shi and his party attended a song and dance performance by the Maori International Performance Group, accompanied by Rotorua Mayor (Gram Home).

When driving from Auckland to Rotorua, Qiao Shi also visited the (Tasman) Forest Company, Ltd.

Qiao Shi, Australian Leaders Discuss Bilateral Ties

OW0811142094 Beijing XINHUA in English 1342
GMT 8 Nov 94

[FBIS Transcribed Text] Canberra, November 8 (XINHUA)—Australia and China agreed today that the continuous development of their ties not only conforms to the fundamental interests of the two peoples, but is also conducive to peace and development in the Asia-Pacific region and the world as a whole.

In a meeting with Qiao Shi, chairman of the Standing Committee of the National People's Congress of China, Australian Prime Minister Paul Keating noted that Aussie-Chinese relations have entered a new phase of development. With the efforts of both sides in recent years, remarkable development has been achieved in the two countries' cooperation and friendship with high-level visits increasing, economic exchanges expanding, mutual investment boosting and the trade volume rising, he said.

He said that while Australia has rich natural resources and high technology, China has witnessed rapid economic development thanks to its policies of reform and opening. Thus, he added, there is great potential for their cooperation.

During a three-hour-long luncheon and meeting, Keating praised the reform and opening policies designed by Deng Xiaoping for promoting rapid economic development in China, which have brought eye-catching and tremendous changes to China.

On the informal leaders' meeting of the Asia-Pacific Economic Cooperation (APEC) to be held in Bogor, Indonesia, next week, Keating expressed the hope that it will achieve satisfactory results.

Qiao pointed out that China and Australia have many things in common and they share the desire to further increase their cooperation.

"I believe that so long as both sides follow the Five Principles of Peaceful Coexistence, particularly the principles of mutual respect, non-interference in each other's internal affairs, equality and mutual benefit, the friendly relations and cooperation between China and Australia will register new, greater and smooth development," he stressed.

He said the indelible contribution made by Deng Xiaoping have not only won respect from the people of various ethnic groups in China; they have also won high praise from the people in other countries.

The chairman declared that the policies of reform and opening have brought lots of benefits to the Chinese people and they will remain unchanged and irreversible.

On the APEC meeting, he said China attaches great importance to the meeting and hoped that the meeting will respect the diversity in the Asia-Pacific region, take a step-by-step approach and thus promote common prosperity and development.

Keating reaffirmed his government's one-China policy and expressed his support for the restoration of China's signatory status in the General Agreement on Tariffs and Trade.

Further on Qiao Shi Meeting Keating

OW0911012794 Beijing XINHUA Domestic Service in Chinese 1528 GMT 8 Nov 94

[By XINHUA reporters Wang Faen (3769 4099 1869) and Liu Huorong (0491 3499 2837)]

[FBIS Translated Text] Canberra, 8 Nov (XINHUA)—Australian Prime Minister Paul Keating and visiting Chinese National People's Congress [NPC] Standing Committee Chairman Qiao Shi agreed today that the strengthening and development of Sino-Australian friendship and cooperation is not only in the fundamental interest of the two countries' peoples, but also is in the interest of the peace and development of the Asian-Pacific region and the world as a whole.

At a meeting with Qiao Shi and his wife Yu Wen at the Parliamentary Building today, Keating said that Sino-Australian relations entered a new period of development after the two countries established diplomatic relations in 1972. Because of the efforts the two countries have made, he said, Sino-Australian friendship and cooperation have developed noticeably in all fields in recent years. The exchange of high-level visits have been

more frequent, economic contacts have broadened, bidirectional investments are active, trade volumes have increased, and areas of cooperation have expanded.

Keating said: Australia and China are two sprawling countries not far from one another. As Australia has rich natural resources and high technology, and China is now embarked on reform and opening up and is enjoying fast economic growth, the potential for the two countries to carry out mutually beneficial cooperation is enormous.

During their three-hour talks, Keating spoke highly of the great contributions of Deng Xiaoping, the chief architect of China's reform and opening up programs. He said: The Australian Government and people admire Mr. Deng Xiaoping's historical contributions; and Deng Xiaoping's reform and opening up policy has expedited China's fast economic growth. China's enormous changes have attracted worldwide attention.

Qiao Shi said: China and Australia have many things in common and we both desire to strengthen our cooperation. "I believe that, as long as we follow the five principles of peaceful coexistence—especially the principles governing mutual respect, non-interference in internal affairs, and equality and mutual benefit—Sino-Australian friendship and cooperation will certainly continue to develop smoothly in all fields."

Qiao Shi said: Deng Xiaoping has made indelible contributions to the Chinese people, he not only has won the love and respect of Chinese people of all nationalities, but also the praise of people around the world.

Qiao Shi noted that China's reform and opening up policy has benefited the Chinese people in many ways, and this policy for China's success will remain unchanged and is irreversible. He said: "A developed and powerful China will always be the bulwark in safeguarding peace and stability in this part of the world and the world as a whole."

Speaking on the forthcoming informal meeting of Asia-Pacific Economic Cooperation [APEC] leaders in Indonesia, Qiao Shi said China attaches great importance to the meeting and will cooperate with other member countries. It is hoped the meeting will respect the Asia-Pacific region's diversity and take a step-by-step approach that will bring about common prosperity and development.

Qiao Shi also passed on Premier Li Peng's cordial regards to Keating. Keating asked Qiao Shi to pass on his sincere regards and best wishes to Premier Li Peng.

During the talks, Keating also reaffirmed the Australian Government's one China policy and its support for the reinstatement of China's status as a GATT signatory. Qiao Shi expressed his appreciation for this.

Keating also gave a luncheon in honor of Qiao Shi and his wife.

Premier of South Australian State Welcomes Qiao Shi

OW0811141894 Beijing XINHUA in English 1349
GMT 8 Nov 94

[FBIS Transcribed Text] Adelaide, November 8 (XINHUA)—Premier Dean Brown of the South Australian State today described the current visit to his state by Chinese leader Qiao Shi as "the culmination of what has been an historic year in the development of closer links" between his state and China.

In a speech at a banquet welcoming Qiao, chairman of the Standing Committee of the National People's Congress of China, here tonight, Brown noted that so far this year, South Australian companies have signed numerous contracts in China, and they are for the supply of irrigation equipment and technology, motor vehicle components, engineering technology and equipment and construction projects, wine technology and refrigeration technology.

The government of south australia, he said, has decided to establish representative offices in Jian, capital of

Shandong Province which has sister ties with the state, and Shanghai, the largest city in China.

The premier listed a number of projects which will be set up in the state and he maintained that China could become part of the projects.

In his speech, Qiao said relations between China and South Australia have witnessed great development since China and Australia established diplomatic ties in [year indistinct].

He pointed out that the state set up sister ties with China's Shandong Province in 1972 and the business in the state has been keen on trade and economic and technological cooperation between China and Australia.

He maintained that South Australia is advanced in agricultural and livestock technologies, thus providing a good condition for it to carry out mutually beneficial cooperation with China.

Chairman Qiao flew in here from Canberra this afternoon and was greeted at the airport by Premier Brown, who will accompany Qiao throughout his two-day visit that state.

Political & Social

Daughter Says Deng in 'Excellent' Condition

HK0911024894 Hong Kong HSIN PAO in Chinese 9
Nov 94 p 2

[By He Yuan-chang (0149 6678 2490) from Jiangmen:
"Deng Xiaoping Is Very Clear About Personnel Changes
in Beijing"]

[FBIS Translated Text] Varying news about Deng Xiaoping's health has kept on spreading recently, which has become an important factor causing fluctuation on the Hong Kong stock market.

Deng Xiaoping's eldest daughter Deng Lin, when presiding over the opening ceremony of a painting exhibition in Jiangmen city, told this reporter that Deng Xiaoping is in "excellent" condition and that he still continues his hobbies, watching soccer matches and playing bridge in the past few months. But he quit swimming long ago in compliance with medical advice. By the way, he is very clear about personnel changes in Beijing.

Deng Lin revealed that an earlier report saying that Deng Xiaoping had left Beijing was not true, and in fact he is still in Beijing now.

The exhibition of Deng Lin's paintings opened in Jiangmen city on 8 November and will close on 14 November.

According to Wong Sze-ling, chairman of Leading Spirit (Holdings) Company Limited, which is one of the sponsors of the painting exhibition, this exhibition was scheduled half a year ago. Because of the hearsay about Deng Xiaoping's health condition, Mr. Wong said, he was wondering last week whether Deng Lin would be able to be present at the exhibition as scheduled. But he later went to Beijing to contact Deng Lin in person and managed to confirm her presence at the exhibition. So he went on with assurance, arranging for the exhibition to open as scheduled.

Yu Yongbo on Practicing Deng's Theory

HK0911092094 Beijing QIUSHI in Chinese No 19, 1
Oct 94 pp 25-28

[Article by Yu Yongbo (060 3057 3134) "In Studying Scientific Theory We Should Put Things Into Practice"]

[FBIS Translated Text] The theory of building socialism with Chinese characteristics is the great banner guiding us in our new revolution. In studying and publicizing this theory, it is necessary to fully understand its scientific value, historical position, and the great achievements made by Comrade Deng Xiaoping, the founder of this theory. The 14th National CPC Congress solemnly established the guiding position of the theory of building socialism with Chinese characteristics throughout the

party, and added to our banner of Marxism-Leninism-Mao Zedong Thought "Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics." This is another historic decision made by our party following the establishment of the guiding position of Mao Zedong Thought throughout the party at the Seventh National CPC Congress.

Comrade Jiang Zemin pointed out: Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics "is a product of the combination of the basic tenets of Marxism-Leninism with the reality and characteristics of contemporary China, the carrying forward and development of Mao Zedong Thought, the crystallization of the wisdom of the whole party and the people of the whole country, as well as the most precious spiritual wealth of the CPC and the Chinese people." Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, our party leads the people in vigorously carrying out reform and working hard, thereby bringing great vitality to the entire nation. Great changes of historic proportions are taking place on the great land of China. Practice proves that this scientific theory is a strong spiritual force that invigorates the whole country and nation and is a great banner for our development of socialism. It is thanks to this banner that this great party of ours, which has a membership of 50 million, has such strong fighting power today, that this large country of ours, which has a population of 1.2 billion, has such a strong rallying force today, and that this people's republic of ours, which has gone through 45 stormy years, has made such brilliant achievements today.

A fundamental reason why we have always been able to maintain territorial unity, national solidarity, and social stability and achieved unparalleled progress in economic construction while carrying out social changes on such a magnificent and unprecedented scale is that our party has found the scientific theory of building socialism with Chinese characteristics. We may say that if our party had not had Comrade Mao Zedong and Mao Zedong Thought during the period of democratic revolution, we would still have been fighting in the dark; if our party did not have Comrade Deng Xiaoping and his theory of building socialism with Chinese characteristics, we would still be groping along the winding course in bewilderment. As many comrades in the armed forces have noted, our country and our people are indeed fortunate in having this scientific theory today.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics has extremely great significance in the history of the development of Marxism. It opens up a new road for building socialism in China, instills new life and vitality into the socialist system, and brings about a second great historic leap after the combination of Marxism with reality in China brought about the first great historic leap. In present-day China, upholding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics means truly

upholding and developing Marxism-Leninism-Mao Zedong Thought. Only if we firmly believe in the basic theories of the party will we be able to firmly adhere to the party's basic line. We must use our theoretical steadfastness to guarantee political steadfastness and should strive to become models in implementing the party's theory, line, and principles.

This theory is the precious asset of our party; it is also the precious asset of our Army. In order to firmly believe in and uphold this theory, it is necessary to further implement the strategic task of arming the whole party and the whole Army with this theory. Since the 14th National CPC Congress, the whole party has been actively implementing this task put forward by the Central Committee and the Central Military Commission. At present, there is a great upsurge in studying and publicizing the theory of building socialism with Chinese characteristics in the whole Army, and the movement is developing in depth. The vast numbers of officers and men are assiduously studying Comrade Deng Xiaoping's works, and this has become a common practice. Grass-roots units are taking the study of this theory as a fundamental task of ideological and political work in the new situation. This has whetted the appetite of grass-roots level officers and men for more theoretical knowledge, and many important basic viewpoints have come to be grasped by cadres and servicemen alike.

The invigoration and in-depth development of theoretical studies have pushed forward the continuous development of the study and publicity of this theory in breadth and depth. Theoretical study and publicity are unfolded around hot topics and difficult problems, and people deepen their understanding and application of this scientific theory through gradual explanation and clarification. Scientific theory penetrates into people's ideology and work to become the conscious deeds of leading cadres at various levels. Party committees at various levels of the Army take the course of study as a process of achieving unity of thinking and exploring the rules governing army building, a process of achieving a change in leadership style and vigorously grasping the implementation of work. They have further reinforced their faith in the scientific theory of building socialism with Chinese characteristics, and have improved their leadership and work ability. Of course, the achievements we have made so far in the study and publicity of this scientific theory are still preliminary. The theory of building socialism with Chinese characteristics is great and profound. It is a comprehensive scientific system, and we cannot stop after gaining a little knowledge of the subject. Comrade Deng Xiaoping's works are easy to understand. However, we must study assiduously and repeatedly and study with great concentration in order to fully grasp the spiritual essence of his simple language, comprehend the theoretical and ideological process of his scientific conclusions, and grasp the scientific attitude, creative spirit, and revolutionary style that run through all his works.

In order to further implement the task of arming the whole party and the whole Army with the theory of building socialism with Chinese characteristics, it is necessary to firmly grasp the study, research and publicity of the theory. Paying attention to study is a rudimentary task. Cadres and fighters, particularly leading cadres, must increase their awareness of the need to study. They must regard doing well in study and raising one's theoretical level as an essential part of self-cultivation. Party committees at various levels must conscientiously promote the study of theory in greater depth and strengthen supervision and inspection over theoretical study. Study competitions should be organized to see who studies best and who can put theory into application with the best results. It is necessary to step up theoretical research on the basis of theoretical study. Theoretical research should be focussed on major theoretical and practical issues. By looking at issues as a whole on the basis of the integration of theory and practice, it will be possible to continuously provide useful theoretical and ideological materials for theoretical study, thereby promoting the gradual deepening of theoretical study.

It is also necessary to conduct theoretical propaganda in a more dynamic and lively manner so that people will be willing to read and hear what is being publicized and accept it more readily. Theoretical propaganda must be scientific and effective. In particular, care should be taken to convey abstract theoretical points of view to the masses through popular forms, and efforts should be made not to make them sound dull and uninteresting. Of course, it is also necessary to avoid oversimplification and one-sidedness. Lively theoretical propaganda can further increase people's interest in theoretical study, and this in turn will bring about the active development of theoretical study and research. Grasping theoretical study, research and propaganda well and dovetailing these three aspects to make them promote one another is the basic train of thought we should follow in order to grasp theoretical work well. We must pay close attention to these three aspects in order to better implement the strategic task of arming the whole party and the whole Army with the theory of building socialism with Chinese characteristics.

The key to fully implementing the strategic task of arming the whole party and the whole Army with the theory of building socialism with Chinese characteristics lies in carrying forward the Marxist style of study and implementing the principle of integrating theory with practice. Comrade Jiang Zemin recently pointed out: "The integration of theory with practice is a fine tradition, fine work style, fine style of study, and unique advantage of our party. Persisting in integrating theory with practice is an important issue that must be properly addressed in our efforts to strengthen and improve theoretical study. It is also an important principle for making a success of our work."

Comrade Mao Zedong attached great importance to this question as early as the Yanan period. He pointed out

that since our sole purpose in studying Marxism was to apply it, we must oppose book worship and empiricism; do away with the practice of studying Marxism as something isolated, static and abstract; and adhere to the guiding principle of study which is centered around solving practical problems of the Chinese revolution. During the new historical period, Comrade Deng Xiaoping repeatedly emphasized that only by adhering to the principle of proceeding from reality in everything and the principle of integrating theory with practice would we be able to ensure the smooth progress of socialist modernization as well as the smooth development of Marxism-Leninism-Mao Zedong Thought. The common epistemological cause of "Left" and right mistakes which have occurred in the party's history is the alienation between subjective and objective understanding and between theory and practice. It has been proved time and again by practice that whenever the party upheld the principle of integrating theory with practice, the party's cause advanced triumphantly, and whenever the party divorced itself from this practice, the party's cause suffered setbacks, even losses. We may say that without the principle of integrating theory with practice, it could not have established and upheld Mao Zedong Thought, could not have established and upheld the theory of building socialism with Chinese characteristics, and could not have won a great victory in the Chinese revolution and made great achievements in socialist modernization.

The theory of building socialism with Chinese characteristics originates from the great practice of socialist construction and reform and opening up, and in turn guides this great practice. A striking feature of this theory is its distinct practicality, which is also where the vitality of this theory lies. Close integration with practice in carrying out study, research, and propaganda is not only an intrinsic requirement of this theory but is also an objective requirement for the modernization of our country and Army. Only by integrating theory with practice and studying the theory of building socialism with Chinese characteristics in the course of vivid and vigorous practice can we truly grasp its spirit and essence. Only in this way can we turn the spiritual force contained in this theory into a huge material force that can push forward the modernization of our country and Army.

In order to uphold the principle of integrating theory with practice, it is necessary to concentrate our efforts on the solution of major practical issues that affect the whole situation. We are now faced with a new international and domestic environment. On the international level, the global strategic pattern has undergone profound changes. On the domestic level, the establishment of a socialist market economy system is entering its crucial stage. Under this backdrop, the crucial question in applying Comrade Deng Xiaoping's scientific theories in studying and deliberating on the question of army building is whether or not we can thoroughly understand and accurately grasp reality. Even comrades who are engaged in practical work cannot rashly claim to have

truly understood reality. We must go deep into the realities of life, conduct careful investigations to grasp the concrete conditions of our own units, and collect a vast amount of first-hand information before we can find the crux of the problem and make penetrating judgments. Reality is all-round, systematic, and interrelating.

As leading cadres, we must have an accurate grasp of the reality of the building of troops. Rather than looking at superficial phenomena and isolated cases, we must proceed from the overall international strategic situation when pondering the question of national security and stability, proceed from the overall situation of national construction when pondering the question of army building, and proceed from the overall situation of army building when pondering questions of work in our own units. Only in this way can we combine the general with the specific and separate the essence from the phenomenon on the basis of having a good grasp of reality, identifying governing laws, and increasing our ability and level of scientific decisionmaking.

Where the current situation and our current task are concerned, the following two questions need to be stressed in particular: First, it is necessary to submit to and serve the overall situation and consciously make contributions toward maintaining the overall situation. Using the party's line, principles and policies to unify the thinking of the troops is a regular central task in theoretical study and education. At this stage, the most important thing is that we must have a profound understanding of the scientific nature and correctness of the Central Committee's "20-character policy" of seizing the opportunity, deepening reform, opening up wider to the outside world, promoting development, and maintaining stability; correctly understand the dialectical relationship between reform, development, and stability; and resolutely endorse and support the major policies and measures adopted by the party and government to deepen reform.

Second, it is necessary to work hard at strengthening the building of ideological style with the new conditions and new problems brought about by the reform and opening up policy and the development of the socialist market economy in mind. In order to integrate theory with practice, it is necessary to combine the remodeling of one's objective world with the remodeling of one's subjective world and to strive to make our thinking and actions conform to the party's principles, the people's interests, and the objective laws of socialist modernization. As far as senior and middle-ranking cadres are concerned, particular emphasis must be put on the remodeling of one's subjective world. Senior and middle-ranking cadres have power and bear great political responsibility. If they overlook the need to remold their thinking and undergo tempering in party spirit in the face of the new situation and new tasks, the resultant problems will not just be personal. They will affect the

image of the party and Army, affect the work of party organizations and Army units, and undermine the party's cause.

Establishing a correct outlook on life and a sense of values is not only important for young cadres and fighters, but is equally important for leading cadres. Faced with the influence of various passive and decadent thinking and ways of life, leading cadres must be sober-headed, conscientiously combine theoretical study with the remodeling of world outlook and the carrying forward of the fine traditions of our party and Army; make continuous efforts to enhance their party spirit; be able to withstand the temptation of power, money and women; and forever maintain the true nature and color of the People's Army.

In order to uphold the principle of integrating theory with practice, it is necessary to grasp implementation and turn the raising of theoretical standards into conscious actions. Whether or not a theory is implemented is an important criterion for testing the practical results of the theory. No matter how well we do in theoretical study or how correct our policies are, this does not mean a thing if we do not grasp implementation. Our fundamental aim in calling for and stressing the integration of theory with practice is to solve problems. A distinctive feature of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is that it is realistic and practical and disdains empty words. Not grasping implementation is itself at variance with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. While work methods are partly to blame for the poor implementation of some policies, the main problem still rests with our guiding ideology and style of leadership, which are essentially problems of a party nature. What do leading cadres study theory for? What do they work for? Are they doing this for the party and for the building of troops, or are they doing this for the higher authorities and their reputation? If they cannot even solve these basic problems, how can they claim to be capable of integrating theory with practice and doing their work well. The effects of study should be judged not by how many articles we have written or how many notes we have jotted down, but by how we solved problems and implemented our work. Comrade Jiang Zemin has clearly pointed out: "The key lies in implementation. In the final analysis, implementation is all." We must resolutely overcome formalism and superficiality and truly concentrate our leadership energy on grasping the troops and grasping implementation.

Leading cadres at various levels must have great fervor for the revolutionary cause and a strong sense of political responsibility. They must energetically encourage the practice of conducting investigations and studies, uniting with the masses, plain living and hard struggle, seeking truth, and working in a down-to-work manner, and should strive to cultivate a good habit of conscientiously grasping implementation in armed forces units.

Arming the people with scientific theory is a protracted task. Only by persisting in our efforts and doing a solid job until results are produced can we further push forward the work of studying, conducting research on, and publicizing the theory of building socialism with Chinese characteristics. Only in this way can we truly make scientific theories run through our thinking and our work.

Commentator on Learning From Deng's Works

HK0911032594 Beijing RENMIN RIBAO in Chinese 7 Nov 94 p 1

[Commentator's article: "Building Basic Nature Must Be Grasped Well—Seriously Learn From Volumes One, Two and Three of *Selected Works of Deng Xiaoping*"]

[FBIS Translated Text] Recently, the second edition of Volumes 1 and 2 of the *Selected Works of Deng Xiaoping* was published and distributed, so that we are provided with a more complete edition in terms of content and form for us to further implement the duty of arming the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, a duty proposed by the 14th CPC Congress. Party committees at various levels must strengthen leadership and guide the broad masses of party members to study Volumes 1, 2, and 3 of the *Selected Works of Deng Xiaoping* as an integrated whole, in particular, linking Volume 2 to Volume 3 for study so that we can have a better understanding of the process in which the theory of building socialism with Chinese characteristics takes shape and develops, a more profound understanding of the basic theoretical problem of what is socialism and how to build socialism, and a more thorough mastery of Comrade Deng Xiaoping's theory of party building; consequently, we may raise the party's ideological building to a new level.

In the new historical period, ideological building which has a thorough study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the central content, is building of basic nature that aims at strengthening party building—a great new project. Following the demand of the "Decision" by the Fourth Plenary Session of the 14th CPC Central Committee, we must continue to put the party's ideological building in first position. Ideological building is the foundation and compass for organizational building and work-style building. Without strong ideological building it will not be possible to have solid and correct organizational building and work-style building. Meanwhile, strong organizational building and work-style building are important conditions and guarantees for ideological building. Therefore ideological building on the one hand and organizational building and work style building on the other hand are mutually supportive and promoting. Only when the three are closely coordinated can the great goal of party building be achieved.

Under circumstances where the contemporary world is changing rapidly, and amid the great changes in a China

which is undergoing reform, opening up, and modernization, the goal and duty of party building is, first and foremost, to arm ourselves with the theory of building socialism with Chinese characteristics. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, with its new experience, new ideas, and new viewpoints, has inherited, enriched, and developed Marxism-Leninism-Mao Zedong Thought; it is Marxism in contemporary China, scientific guidance for our party to carry out new historical creations, and a strong spiritual pillar supporting our national invigoration and development. Therefore, to improve the quality of all party members and cadres, especially cadres at and above county level, we must resolutely use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to guide our behavior. By thoroughly reading Volumes 1, 2, and 3 of the *Selected Works of Deng Xiaoping*, we may profoundly feel that Comrade Deng Xiaoping's thinking is consistent, systematic, complete, and progressive, and we may also profoundly feel Comrade Deng Xiaoping's strong revolutionary style of a great proletarian revolutionary. He has always been keen on the interests and wishes of the broadest mass of people, and he has formulated various policies and measures proceeding from and decided by asking whether the people support them or not, agree with them or not, are happy with them or not, and consent to them or not. When we learn from the works of Comrade Deng Xiaoping, we must learn from his thinking, theory, stance, viewpoint, and methods on the one hand, and, on the other hand, his revolutionary style, and we must really learn his works properly and thoroughly.

Regarding the duty and demand of strengthening the party's ideological building—building of basic nature—the Fourth Plenary Session raised them in a very explicit and practical way, and now the crucial point is that we must implement them very vigorously and forcefully. First, we must continue to attach importance to theoretical studies for senior cadres, especially major leading party and government cadres at and above the provincial and ministerial level. They must not only become personnel who have knowledge, know business, and are capable in their own professions, but they must also first become politicians who are loyal to Marxism, persistent in following the road of socialism with Chinese characteristics, and able to run the party and the country. This is a very high demand, because the level of ideological and theoretical attainment directly determines the level of political attainment, while the level of political attainment will have a bearing on the country's and the party's future and fate.

Second, we must continue to organize leading party and government cadres at and above the county level to seriously study Marxism-Leninism-Mao Zedong Thought, of which the central content is studying and mastering the theory of building socialism with Chinese characteristics. This sort of theoretical study is even more important for young cadres, because this building of a basic nature will have a bearing on what kind of pose

and condition we have when we enter the 21st century, and on whether the party's basic theory and basic line can be unswervingly upheld to ensure the party and the country's long-term order and stability.

Third, we must spend three years launching an educational campaign in a planned and orderly manner for all party members to learn from the theory of building socialism with Chinese characteristics and from the party constitution. This is a strategic measure to upgrade the level of theoretical and ideological attainment in the whole party.

Judged from past experiences in theoretical studies and ideological building, to do this work in building a basic nature well and solidly, we must work hard to be able to: Seriously study, thoroughly understand, and make an effort to conscientiously read the original works by Comrade Deng Xiaoping and thoroughly and systematically master the scientific system of the theory; carry out profound research, grasp the essence, and make an effort to adhere to the scientific attitude and creative spirit of emancipating the mind and seeking truth from facts; and consider the overall situation, apply what one learns, and make an effort to apply theoretical research to solving major problems this time. In particular, it is necessary to clarify what socialism is and how socialism is to be built and developed and to enhance awareness and staunchness for implementing the party's basic line. In the new phase of reform and opening up aimed at establishing a socialist market economy system, leading party cadres of various levels must understand some basic theoretical problems very well. They must always maintain a sober mind and resolute manner regarding some issues which have a bearing on the overall situation, political direction, and basic principles.

We firmly believe that so long as the upper and lower levels of the whole party attach importance to work, seek truth from facts, and seriously sum up and promote good experiences in theoretical studies, we can truly implement our duty of the building of a basic nature for this new "great project."

Wu Bangguo Named Central Finance Group Deputy Head

HK0811131094 Hong Kong MING PAO in Chinese 7
Nov 94 p A2

["Special report" by staff reporter Fang Yuan (2455 0337): "Wu Bangguo Assumes Office of Deputy Head of Central Finance Group; Beijing Introduces Party Discipline Reform, Urges Cadres To Declare Their Interests"]

[FBIS Translated Text] Wu Bangguo, the former secretary of the Shanghai municipal party committee who was just appointed secretary of the Central Secretariat at the Fourth Plenary Session of 14th CPC Central Committee, was officially appointed deputy head of the Central Financial and Economic Leading Group not long ago. A

Beijing source discloses that this appointment shows that his position has been further escalated.

In addition, in order to implement the relevant decision on augmenting party building in the wake of the Fourth Plenary Session, Beijing has already presented, or is soon to present, a series of thoroughgoing specific regulations, such as reelecting and reorganizing rural party cells; stipulating the grades and treatments of cadres specialized in party affairs in institutions; reporting gifts accepted by party-member cadres, as well as their economic income; and cadres' maximum term of office.

According to the source, the fact that Wu Bangguo has been appointed deputy head of the Central Financial and Economic Leading Group signifies that he is participating in leadership of the national macroeconomic work in a comprehensive way. The group has very high prestige, with its head being President Jiang Zemin, who is concurrently general secretary of the CPC Central Committee. In addition, before the appointment of Wu Bangguo, there was only one deputy head, Vice Premier Zhu Rongji, who is concurrently governor of the People's Bank of China, whereas Zou Jiahua, another vice premier in the group, is just a group member, while other group members include State Planning Commission Minister Chen Jinhua; Minister of Finance Liu Zhongli, who is concurrently director of the State General Administration of Taxation; and Zhou Zhengqing, vice governor of the People's Bank of China.

To implement the decision of the Fourth Plenary Session of the 14th CPC Central Committee, the Central Committee set out at the recent work conference on building rural party cells the need to consolidate and reorganize rural party cells in the next three years. It has been learned that this work will be conducted simultaneously with rural town-level government building. In the next six years, it is expected that most township governors, village heads, and party branch secretaries will be re-elected, and some rural party members, whose whereabouts no one knows, will be handled as having given up their party memberships on their own, or their names will be expunged from the list.

Regarding the organizational building of urban party cells, prior to the convocation of the Fourth Plenary Session, the system of cadres specializing in party affairs has been restored in institutions and state-owned enterprises, meaning that aside from chief administrative responsible persons of various units taking up the concurrent office of party committee (or party branch)

secretaries, there must be a deputy secretary specialized in party affairs who does not take up any administrative office; however, his grade must be equal to that of a deputy administrative office, and even can be somewhat higher so as to give prominence to the party's leadership position. Nevertheless, a thorny issue today is the cadre specialized in party affairs in foreign-funded enterprises. The present practice is that directors (managers) from the Chinese side of enterprises in this category take up the office of responsible person of the party organization concurrently, but there is no way to appoint a cadre to take up a full-time job in party affairs. On this point, the CPC has not made any unified stipulation as of today, but asked various localities to experiment in practice by linking to local conditions to probe a set of successful patterns of party organizational building in foreign-funded enterprises.

In coordination with the principle of cadres being younger in average age, which was set out in the Fourth Plenary Session's decision, the Central Organizational Department and the State Council Ministry of Personnel plan to implement it by pushing reform of the civil service system. It has been disclosed that the plan for limiting the terms of office of civil servants, which is being prepared and formulated, will make rigid stipulations regarding the age ceiling for officials at various levels. For example, regarding ministers (provincial governors), their age must not exceed 65; vice ministers (vice governors) must not exceed 60; department and bureau chiefs (mayors) must not exceed 55; whereas section chiefs (county governors) must not exceed 50. Those who have passed the stipulated age, while failing to get a promotion, must leave office; even when they are not retired, they must be transferred to take up some non-leading post. Nevertheless, the restriction on local officials (such as county governors and mayors) is more relaxed than officials in government organs (such as department heads, section and bureau chiefs). In other words, county governors and mayors may exceed the age bracket by three or five years, whereas department heads, section and bureau chiefs must retire when their time comes.

In addition, the formulation of regulations on senior leading party-member cadres' accepting gifts, and on their economic income, already has been completed, and will be presented within the year. This will be China's first-ever "sunshine bill." As for the regulations on all civil servants reporting their assets and incomes, a longer period will be needed for their introduction.

Appendix

Major Members of the Central Financial and Economic Leading Group

Head:

Jiang Zemin

Deputy Heads:

Zhu Rongji, Wu Bangguo

Members:

Zou Jiahua, Chen Jinhua, Liu Zhongli, and Zhou Zhengqing

Commission Issues Circular on Cadre Misconduct

OW0911061994 Beijing XINHUA Domestic Service in

Chinese 0608 GMT 8 Nov 94

[FBI Translated Text] Beijing, 8 Nov (XINHUA)—The Central Discipline Inspection Commission [CDIC] recently issued a circular in connection with three cases of leading cadres' misconduct. In the circular, the commission urges all party and government leaders to learn a lesson from these cases, heighten their sense of honesty and self-discipline, strictly abide by the party's disciplinary rules, and obey all orders and prohibitions without fail.

In April 1994, Chen Kaiquan, secretary of the Guangdong Construction Commission Training Center Party Branch and the center's acting director, and several other people, tried to make money for the center in the name of organizing for managers of Guangdong's construction businesses to make study tours abroad. After the CDIC held its second plenary session, the Guangdong Provincial Construction Commission Party Group followed the relevant regulations and instructed the center to stop organizing such trips, but Chen Kaiquan and the others ignored the instruction and continued with their plans. From 10 April to 16 May 1994, the three groups of people organized by the center, totaling 92 in all, visited Singapore, Malaysia, Thailand, and Hong Kong on "study tours," in which 2.935 million yuan of public funds were spent. The center also made a profit of 543,000 yuan from organizing the trips. Recently, Chen Kaiquan was dismissed from the two offices he held and was also ordered to reimburse all the money he spent on heading the trips and to turn the 543,000 yuan of illegal income over to the treasury.

Fang, deputy director of the Guangxi Fangchenggang Municipal Public Security Bureau, hosted a grand reception for his son's wedding on 13 January 1994. In show of its grandeur, he rented five large and small, fully decorated vehicles and instructed that they be driven around most parts of the town. Moreover, he threw a party with 50 banquet tables for more than 500 guests; and his "gift book" that listed gift givers' names, work units, and the monetary amounts of gifts showed that 379 guests gave him a total of 60,140 yuan as gifts. The Fangchenggang Municipal CPC Committee and the municipal government recently made separate decisions to place Liu Fang on probation in the party for one year and to dismiss him from his administrative office.

In November 1993, Huang Zhenyi, mayor of Hubei's Shien City, used large amounts of manpower, and the material resources of municipal organs and his hometown on his mother's funeral. At one time or another, Huang Zhenyi assigned more than 20 municipal government workers to take care of the funeral arrangements and he spent public funds on the purchase of funeral goods. At Huang's suggestion, a committee of nearly 30 people was formed in his hometown, the Sanlongba Village, to take charge of a reception, purchasing, and book keeping. When the coffin was kept at a temporary shelter before burial, leaders of the city government, city

public security bureau, and Longfengba Town kept vigil beside the coffin on rotation, 779 people—including 657 from party and government organs, business concerns, and institutions—paid their condolence and gave gifts, and 6 buses were used for transportation. Of the 19,060 yuan Huang received as gifts, 17,835 yuan was paid by staff members of party and government organs, business concerns, and institutions. Thirty-three units were found to have spent 3,455 yuan of public funds for gifts. After the funeral, Huang threw a party with more than 50 banquet tables for more than 500 people. The funeral procession consisted of over 100 people, during which drums were beaten, music was played, firecrackers went off incessantly, and feudalistic and superstitious customs were observed. On the basis of the mistakes that Huang committed, the Shien Tujia Miao Autonomous Prefecture CPC Committee and prefectural government recently gave Huang a serious warning and noted the serious mistake on record, and instructed him to refund all the money and gifts he received.

Daily Rejects 'Military Menace' Allegation

HK091115394 Beijing CHINA PEOPLE'S DAILY in English 8 Nov 94 p 4

[Report: "Peace Is Only Road to Strength"]

[FBI Transcribed Text] China has chosen the way of peace and development to become prosperous and powerful.

A signed article in the PEOPLE'S DAILY refuted the suggestion of "China's military menace," fabricated by some people who seek to sow discord between China and its neighbours and to impede China's progress.

China has come into the spotlight for its outstanding achievements in reform, opening to the outside, and economic modernization in recent years.

Some people and news media in some Western countries, which devoted themselves to predicting the worst for China's reform years ago, are now spreading the view that China will become the next superpower and menace to its neighbours.

According to them, China will turn its economic force into military power and expand outward.

Some even say that China will fill the power vacuum in the Asia-Pacific region created by restraints on the superpowers.

These allegations, intended to fabricate the notion of a "Chinese threat," are utterly groundless.

The so-called growth of China's military expenditures in recent years was partly used to offset the debts accumulated in earlier years because of unduly low military expenditures.

The increase also compensated for the loss of spending power caused by high inflation.

For example, while military expenditure increased by 16.7 per cent in 1993 over 1992, the inflation rate was also 16.7 per cent in the same period.

This year China's defence budget increase is 20 percent, roughly equal to the rate of price growth in the first seven months.

This puts a new light on the real growth of China's military expenditure.

In fact, Chinese defence spending, as a proportion of gross national product (GNP), has been declining for years.

Military expenditure accounted for 1.7 per cent of GNP in 1991, 1.5 per cent in 1992 and only 1.3 per cent in 1993.

China's military expenditure was 43.2 billion yuan in 1993. Converted according to the exchange rate then, it was only 2.5 per cent of the U.S. military budget of \$291 billion and 20 percent of the amount allocated by Japan.

Per capita military spending in China stood at only 43 yuan (\$6) in 1993, \$3 less than in India. It was 0.6 percent of the U.S. figure, 0.83 percent of the British and French, and 1.38 percent of the Japanese.

These figures show that China's defence spending is among the lowest in the world in both total and per capita terms.

Serving China's strategy that defence construction is subject to the needs of economic construction, the Chinese Army has been greatly reduced. The Army now numbers 3 million, including nonmilitary personnel that are usually excluded from the figures of most nations.

Chinese armaments are maintained at the minimum level possible and only for national defence. The aim of military modernization is to raise defensive fighting capability.

Pursuing a policy of active defence—"we will not attack unless we are attacked"—the Army carries out the task of defending economic construction and is a force for safeguarding the peace.

China needs a long-term peaceful and stable international environment for modernisation and economic construction. The country needs cooperation, not confrontation. A stable and prosperous Asia-Pacific region is also in the interest of China.

China's relations with its neighbours are the smoothest since the founding of New China. The country expects to further strengthen mutual cooperation and good-neighbourly relations with surrounding countries and peacefully resolve various disputes through negotiations in the spirit of mutual understanding and mutual accommodation.

The view of a "Chinese military menace" is based on outdated geopolitical strategy and power politics, not on China's logical policies and understanding of its own interests.

In the 20th century, the nations that tried to invade others and build hegemony depending on military force inevitably suffered crushing defeats.

China is convinced that nations indulging in the arms race, expansion outward, and hegemonism always harm themselves in the end, and peace and development is the only way forward for the country.

China has no interest in power games and influence spheres because it believes that these will not benefit the people and the nation.

There are some people in the West who feel uneasy over the rise in China's international standing and its political stability and economic development. They spread the fallacy of "China's threat" to sow dissension between China and others and advocate containment to hinder China's development or profit from a regional arms race.

Every country needs defences, especially China, which was invaded and humiliated by other powers for many decades.

Like other sovereign states, China will gradually modernize its defences as it develops economically, completely for self-defence.

China will not seek expansion or hegemony or join the arms race under any circumstances, be its defence force weak or strong.

Only peace and development are in the interest of the Chinese people and these are also our historical choice.

Li Lanqing Promotes Vocational Education

*HK0911061094 Hong Kong TZU CHING in Chinese
No 10, 5 Oct 94 pp 10-13*

["Special article" by Xu Hong (1776 3126): "Vocational Education Can Invigorate the Country—Interview with Vice Premier Li Lanqing"]

[FBIS Translated Excerpts] China, as a country whose economy is not yet developed or, to make it easy to understand, a poor country, wants to run its education on the largest scale in the world. And to what extent? China has 200 million youths and adolescents in school. It needs to provide educational opportunities for about 15 million newly added school-age children annually. What is a good way for a poor country to run its education on a large scale?

After Vice Premier Li Lanqing was placed in charge of education, he set this big question for himself and spared no effort to find an answer.

Li Lanqing Dedicates Much of His Energies to Education

According to the division of labor among the four vice premiers of the State Council, Li Lanqing has been assigned an abundance of tasks. Besides education, there are domestic trade, foreign trade and economic cooperation, customs, introduction of foreign capital, the auto industry, light industry, and textile industry. Among these many tasks, he has spent the bulk of his energies on education, exerting his greatest efforts. He said, "It is because this is a very important matter. It not only has a lot to do with the current development of China, but also affects the destiny and future of the country and of future generations."

We all know that it is not easy to run China's education, as it is both complicated and sensitive with a great degree of difficulty. Li Lanqing works steadily, beginning with investigation. He cannot remember how many informal discussion meetings and talks he has had with people in educational circles in the past year or more. His secretaries find it difficult to calculate. They only briefly say: "Wherever Vice Premier Li goes on business, he will surely visit one primary school, one middle or vocational school, and one university." Although he has not been in charge of education for a long time, he has won public praise because of his pragmatic, steady, down-to-earth and modest working style and his broad ways of thinking. Xie Bingxin, a leading authority in literature who has always been concerned with education, once said: "I do not know a lot about his past experience, but many of his statements on education hit the mark."

He was interviewed by this writer when the preliminary stage of his investigation was just completed following the national educational work conference. So Vice Premier Li could give a clear and systematic answer to the question raised at the beginning of this article.

Vocational Education Is Raised to an Unprecedented Height

Coming straight to the point, he told this writer that a fundamental way out in the development of China's educational undertaking lies in reform. And first of all the macro-structure of China's education should be reformed. While he was expounding on the plan for macro-structural reform, this writer discovered that he had an important idea, that is, to raise vocational education, which China had neglected in the past, to an unprecedented height. Li Lanqing stressed: "Developing vocational education is the road China must follow in economic development. Vocational education can invigorate the nation, provinces, cities, and counties."

Four-fifths of China's population are in the countryside. The foundation for China to manage education lies in whether the nine-year system of compulsory education can be made universal in the countryside. At present the textbooks used in the countryside are more or less the same as those used in the cities. Consequently, when

students graduate after nine years of study, they do not know a trade. Parents therefore are not eager to send their children to school if the students are not motivated. Rural cadres in the countryside also raise this question: "What is the point of going to school?" If one knows how to read and write but has no skill, it is possible for him to degenerate into semi-literacy after a certain period of time. Li Lanqing considers this an arduous but fruitless method.

He held: "In the economically undeveloped rural areas, after compulsory education lays a certain foundation for the students, the content of vocational education, such as how to grow crops in a scientific way, how to breed aquatics, and how to train personnel for the development of township and town enterprises, should be included in the syllabus in the light of actual conditions so as to integrate agriculture, science, and education. A student educated in this way can acquire certain vocational skills. After graduation, he can also go on learning and improving himself."

Not only should compulsory education in the countryside include vocational education content, in Li Lanqing's opinion most of the teenagers also need to go on with their study to be useful persons through vocational education after they complete the nine-year compulsory education. He said, "There are 200 million teenagers and children at school. Are we going to send all of them to colleges and universities? I don't think so, and neither are we able to do so. We cannot afford to operate so many universities. Even in developed countries it is not possible for everyone to go to college, much less China, a developing country."

He pointed out: After nine years of compulsory education, 70 percent of the junior middle school graduates should go to vocational schools and 30 percent to senior middle school. One-half of the 30 percent who enter senior middle schools will pursue undergraduate courses at universities while the other half will go to vocational colleges.

In the next few years, China will vigorously run various kinds of vocational schools in accordance with this plan. Li Lanqing hopes that the educational circle can overcome a chronic and stubborn disease that has existed for many years, that is, operating primary and middle school education as education for preparing students to take entrance examinations for schools at a higher level. He said, "Nowadays a large number of primary and middle school students want to enter universities, just like thousands upon thousands of people crossing a single-log bridge. The students' workload at school is especially heavy, with each course trying to add more. It is actually difficult for students to develop morally, intellectually, and physically in an all-round way. My heart aches when I see children wearing glasses in many schools. One of the main causes is malpractice brought about by the irrational education structure."

Universities Should Take the Road of Joint Operation

How should universities be run? Li Lanqing considered that reform aimed at improving teaching quality and school efficiency should be carried out with greater force. He said: "Universities in China are not too few, but too many. There are more than 1,070 universities in name. We are not in a position to operate so many universities. Due to limited funds, most of them are small but comprehensive, redundant while at a low level." He advocated running universities jointly. Through joint operation we can give full play to existing manpower, material resources, and facilities and can achieve better results. Recently, there have appeared different forms of entities running colleges and universities jointly in Beijing, Shanghai, Sichuan, and Jiangsu. Joint efforts can take various forms. We should pay attention to actual effects. We must not practice formalism, and still less should we rush headlong into mass action. [passage omitted on teachers' living standards]

China Permits Organizations and Individuals From Outside the Border To Come to China To Cooperate in Running Schools

At the end of this interview, Li Lanqing also answered two questions of concern to overseas readers: 1) Does China permit introduction of foreign capital to run schools jointly or independently? 2) Does China have specific regulations and measures on running private schools?

Li Lanqing said, "China permits organizations and individuals from outside the border to come to China to cooperate in running schools, considering this a supplement in cultivating and training personnel. This is also an important form of external exchange and cooperation in China's education. Cooperation in running schools should focus on vocational education and vocational training. We usually do not go in for China-foreign cooperation in conducting compulsory education. Foreign universities can also cooperate with Chinese universities in running schools with the approval of the educational administrative departments.

As for private schools, Li Lanqing's attitude is "vigorous support, correct guidance, and strengthened management." He said: China has a long tradition of the local people running their schools, and since the policy of reform and opening to the outside world, especially the establishment of the socialist market economy, operation of schools by local people has developed into a new stage and become a component part of the Chinese socialist educational undertaking.

He said: To encourage and support the development of schools run by local people, in terms of standards for the establishment of schools, schools run by local people are allowed to follow the standards set for schools run by the government while certain allowances are made for them. In terms of conditions for running schools, governments at all levels can use different means to finance and

support them in the light of actual conditions, while in terms of legal status, both teachers and students in schools run by local people are guaranteed to be equal to their counterparts in government-run schools and are not subject to discrimination.

As for the very controversial issue of tuition charged by private schools, Li said: The government allows schools run by local people to charge moderately higher fees than schools run by the government. However, running schools remains a public welfare undertaking. It is forbidden to run schools for the purpose of making profits. Raising funds illegally and indiscriminately should also be prevented. He also said that he does not favor running so-called elite schools [guizu xuexiao 6311 2469 1331 2699].

National Meeting on Education Experiments Opens

OW0811131594 Beijing XINHUA in English 0835
GMT 8 Nov 94

[FBIS Transcribed Text] Hangzhou, November 8 (XINHUA)—A national meeting on education experiments is being held in this capital of Zhejiang Province, east China.

Over 1,100 representatives from education units across the country are attending the six-day meeting which aims at probing a new way for promoting education experiments in the next century and tackling existing problems.

The China Education Experiment Research Committee under the China Education Society was set up at the meeting today.

The committee will study the theory and practice of education experiments in the ways of schooling, the establishment of courses and teaching materials.

China has made rapid progress in education experiments since the 1980's when it started to carry out the reform and opening policy.

Census Shows Ethnic Minorities Outdo Hans

HK0911120194 Beijing CHINA DAILY in English 9
Nov 94 p 4

[By Zhang Xia: "Minority Groups Sometimes Outdo Hans"]

[FBIS Transcribed Text] Living mostly in the remote mountain or border areas, China's minority ethnic groups are usually considered as lagging behind in economic and cultural life.

But the latest census shows that in many regards, they are more advanced than their Han counterparts.

Traditional studies compared minority peoples as a whole with the majority Han nationality. The results were always that the ethnic people were behind in many respects.

The fourth census, conducted in 1990, provided data on individual minority nationalities. This has made it possible to compare the Han nationality with each of the ethnic groups.

"Such comparisons have brought about a pleasantly surprising result," said Zhang Tianlu, a professor at the Population and Economics Institute of the Economics College in Beijing. "The fourth census showed that some minority nationalities have surpassed the Hans in certain respects."

For example, the average age at which Han women marry—22.1 years old—is younger than that of eight minority nationalities, such as the Kazak (23.6 years old), Tibetan (23.8) and Korean (22.7).

The birth rate of the Han nationality, 21.3 per thousand, is higher than that of seven other nationalities, including the Korean, Russian, and Man.

The mortality rate of Han newborns, 24.4 per thousand, exceeds that of six minority nationalities. The lowest mortality rate is that of the Xibe nationality, which is only 9.1 per thousand births.

The illiteracy rate of Han adults is the sixth lowest, higher than that of the Korean, Man, Kazak, Mongolian, and Zhuang nationalities. The Korean nationality has the lowest illiteracy rate, 7 percent.

According to an index based on the adult illiteracy rate, the birth rate, and the average life expectancy, Hans rank third after the Korean and Man nationalities.

In 1950, there were 35 million minority nationality people, accounting for 6.1 percent of the country's total population. By 1990, the ethnic population had hit 91 million, or 8.1 percent of the total.

But the economic and cultural standards of the groups must be raised further, according to Zhang.

Their per capita gross national product (GNP) should reach \$3,500. Their agricultural output value should account for 12-15 percent of GNP and the value of tertiary industry should account for 45 percent. The urban population should account for 50 percent of the total. The illiteracy rate should be less than 5 percent. And 15 percent of the youth between 20 and 24 years of age should receive higher education.

Such standards are discussed in a book edited by Zhang, entitled: "Evolution of China's Ethnic Population."

The book's four chapters give a systematic analysis of the evolution of ethnic populations, including the age at which they marry and have children, the proportion of women who work outside the home, and years of education.

The rate of development of the different ethnic groups is uneven. The book explores the reasons for this.

It also makes suggestions for coordinating social, economic and educational development with environmental and resource protection.

Experts Appeal for Legislation on Euthanasia

HK0811130694 Beijing ZHONGGUO XINWEN SHE
in English 1000 GMT 8 Nov 94

[FBIS Transcribed Text] Shanghai, November 8 (CNS)—The second nationwide symposium on "euthanasia and care for the dying" recently held in the Shanghai Medical Sciences University. Its attendants, including medical experts and scholars, unanimously appealed for legislation and implementation of "euthanasia" as soon as possible.

According to experts, "euthanasia" has aroused more and more social support in China. Several public opinion polls conducted in Beijing, Shanghai, Hebei, Guangdong, etc., revealed that many people supported the implementation of "euthanasia". According to a questionnaire on 200 Shanghai elders, 73 percent of the respondents were for "euthanasia". While another questionnaire found 399 out of 500 Beijingers supporting the implementation of "euthanasia", representing an approval rate of 79.8 percent.

Some experts also pointed out that there will be certain obstacles for China to implement "euthanasia" at the moment. As there is no definition about the term of "brain death" in the existing laws in the country, the legalization of "euthanasia" may affect social morality and its implementation may face difficulties. Therefore many experts and scholars from the South China Polytechnical University and the Law Department of the Zhongshan University called for an earlier legislation for "euthanasia" so that it can be implemented according to law.

Economic & Agricultural

Wu Bangguo Inspects Heilongjiang 4-8 Nov

OW0811154094 Beijing XINHUA in English 1502
GMT 8 Nov 94

[FBIS Transcribed Text] Harbin, November 8 (XINHUA)—A senior party official stressed the necessity of people emancipating their minds and changing their concepts, adjusting the industrial structure and improving enterprise management mechanisms in order to further enliven state-owned large and medium-sized enterprises in China.

Wu Bangguo, a member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), made the call during an inspection tour of northeast China's Heilongjiang Province from November 4 to 8.

Wu, who was recently appointed a member of the Secretariat of the CPC Central Committee, was accompanied by Heilongjiang's Acting Governor Tian Fengshan and some other local officials. He visited a number

of major state-owned enterprises in the province, including the Harbin electricity-generating station equipment conglomerate and the Harbin Aircraft Manufacturing Company.

He also held discussions with directors and managers of ten local enterprises, and listened to the work reports of provincial officials.

Wu thanked the local people for having made great contributions to the central government over the past few years in the aspects of supplies of grain, petroleum, coal, timber and electrical and mechanical equipment.

He highly praised the achievements Heilongjiang has made toward improving the enterprise management mechanism and adjusting the industrial structure.

Talking about the adjustment of the industrial structure, Wu said Heilongjiang has a strong industrial foundation, but there is too much emphasis on heavy industry.

To seek a way out, he suggested that Heilongjiang draw up a plan in accordance with the requirements of the central government and carry out adjustment of the industrial structure by way of making good use of its strong points and avoiding shortcomings, so as to adapt to the demands of the market.

He reminded local enterprise leaders not to merely adjust the adaptability of varieties of products, and urged them to encourage strategic adjustment through making good use of local advantages.

Wu also called on local enterprise leaders to work hard to produce items according to market demand and carry out adjustment in the midst of the fierce competition of the market, while combining reform and upgrading in a scientific way.

He also stressed the need to concentrate manpower, materials and money on the development of major enterprises with rational industrial structures and firms enjoying good economic results. While urging local officials to handle well the relationship between reform, development and stability, Wu also called on local official to further emancipate their minds and change their concepts, and seek new ways to develop the local economy.

Song Jian on Intellectual Property Protection

OW0911121894 Beijing XINHUA Domestic Service in Chinese 1329 GMT 8 Nov 94

[By reporters Liu Jiyang (0491 3423 2254) and Yang Ning (2799 1337)]

[FBIS Translated Text] Beijing, 8 Nov (XINHUA)—Song Jian, state councillor and minister in charge of the State Science and Technology Commission, addressed a national working conference of the organs for coordinating and guiding intellectual property protection

which closed today. He emphasized during the conference: In view of serious violations of intellectual property rights in some localities and fields at present, the State Council calls on local governments to set up organs for coordinating and guiding intellectual property protection, to organize a joint law-enforcement force, to step up intellectual property protection according to law, to take resolute actions to seriously investigate and punish violators of intellectual property rights, and to sternly deal with the crime and make efforts to investigate and handle a number of major cases.

Song Jian emphasized: The protection of intellectual property rights is a crucial part of the establishment of the socialist market economic structure, an important component part of China's policy of reform and opening up, and a historic mission concerning our reform and development. Leading cadres of all provinces, municipalities, and departments must unify their understanding and action, do solid work, and seek practical results.

He called on all localities to establish as soon as possible a system of meeting on coordinating and guiding intellectual property protection, and to take action to implement the State Council's relevant policies at all levels, including the grass-roots level. He said: Open coastal provinces and municipalities, including Guangdong, Fujian, Zhejiang, Jiangsu, Shandong, and Shanghai, must launch all-around and large-scale inspections on enforcement of the country's intellectual property protection laws within this year, resolutely stop the production and sale of pirated compact and laser discs, block their source and sales outlets, begin to achieve success in purifying the market, and strive to basically wipe out the rampant infringements of intellectual property rights within one or two years.

Song Jian said: In the last several months, all localities and departments across the country have actively implemented the State Council's "decision on further strengthening intellectual property protection." At present, a dozen or so provinces and municipalities have established the organs for coordinating and guiding intellectual property protection or similar systems and their work has begun to yield good results. However, serious problems still exist in the enforcement of relevant laws. The phenomenon of infringing upon other's intellectual property rights and violating those laws, particularly the piracy of compact and laser discs, is quite conspicuous in some regions, and it even shows a tendency of spreading to other regions.

Song Jian said: In some localities, local protectionism creates a strong resistance to the enforcement of intellectual property protection laws, and some severe infringement cases there are even being ignored. Such a situation must be improved rapidly.

He emphasized: The protection of intellectual property rights is a highly comprehensive work. So, it is necessary

to give full play to the role of the meeting on coordinating and guiding intellectual property protection. All departments concerned should support and closely coordinate with each other. All central and local departments, including intellectual property management departments, other administrative departments, and judicial organs, should play an active part in creating a unified, coordinated, well-organized, and highly efficient intellectual property protection system.

He called for further promoting the development of legal services as regards intellectual property protection at home, as well as the establishment of self-disciplinary organs within some key industries to enhance the self-protection of enterprises.

Song Jian called on local governments at different levels to start inspections on enforcement of intellectual property protection laws no later than 1 December this year. Criminal cases involving large sums of illicit income or serious infringements should be transferred to procuratorates according to the law, and the persons responsible should suffer criminal sanctions.

Song Jian pointed out: The major tasks of local organs for coordinating and guiding intellectual property protection or local meetings on coordinating and guiding intellectual property protection are: (1) To coordinate, study, and formulate major policies and countermeasures with regard to intellectual property protection and coordinate transdepartmental intellectual property management work; (2) To organize inspection of the enforcement of intellectual property protection laws and the investigation of intellectual property infringements and ensure the implementation of intellectual property protection laws and regulations; and (3) To publicize knowledge of intellectual property rights and raise the people's awareness of the need to protect intellectual property rights.

The national working conference of the organs for coordinating and guiding intellectual property protection was held by the State Council's office of the meeting on coordinating and guiding intellectual property protection. It was attended by responsible persons of organs for coordinating and guiding intellectual property protection of 36 provinces, municipalities, autonomous regions, and cities with provincial-level economic decisionmaking authority; and representatives of relevant departments of the State Council. Present at today's meeting were Liu Qibao, deputy secretary general of the State Council; and Hui Yongzheng, vice minister in charge of the State Science and Technology Commission.

Zhu Rongji Comments on Tax Collection System

HK0911115094 Hong Kong LIEN HO PAO in Chinese
8 Nov 94 p 10

[Article by Yun Shang-feng (0061 0006 7364): "Guangdong Criticized for Its Poor Attitude in Paying Taxes"]

[FBIS Translated Text] Reform of the tax-collection system is an important link in this year's coordinated reform. Although by 15 August the state and local tax bureaus in various provinces, municipalities, and autonomous regions already had been established as two sets of organizations, the tax-collection situation does not allow for optimism.

At a meeting on tax-collection work, Vice Premier Zhu Rongji allegedly smote the table, criticized some localities, and praised others.

In his evaluation, Zhu Rongji said that since implementation of the revenue-sharing system, the localities have differed in their performance in handing over taxes. He said that Shanghai has the best accounts, has paid the largest amount of tax, and has the best manner; Jiangsu's accounts are not clear, but its manner is still good; Guangdong's accounts are not in order, and its manner is not good.

Zhu Rongji thought that reform of the tax collection system has not caused great fluctuations, and that the big storm has already passed, though small twists and turns cannot be avoided. This year's tax-collection system has scored marked results, and revenue for the central authorities is predicted to increase 17 percent or more.

Some localities are being criticized because their "accounts are not in order." This problem mainly comes from two areas: First, the two organizations handling state and local taxes below the provincial level are not distinguished thoroughly; second, some provinces have different economic sectors and a high proportion of mixed economy, in which state-owned enterprises can be levied easily, but private and collective enterprises are not quite so.

Based on the requirements of the revenue-sharing system, two sets of taxation organizations have been established to collect taxes for the central and local authorities, respectively. State tax sub-bureaus, directly under the State Tax Bureau, have been established in provinces, autonomous regions, and municipalities; below the provincial level, branch bureaus are established in prefectures and cities; and at the county level, county branches and tax stations are established. The other organization comprises local tax bureaus, which are managed by local authorities.

Guangdong and Sichuan think that only the provincial-level sub-bureaus need to be established, and that the county- and city-level revenue can be collected by the old method and submitted to the province, and that things are okay as long as the province submits adequate taxes to the central authorities. Therefore, in many of the branch bureaus in cities and the county bureaus in counties, there is only a bureau chief, who is appointed by the provincial taxation bureau and who oversees local tax. Thus there are "two plates, but one group of personnel." The revenue handed over in this way naturally is more sweeping, hence the criticism that "the accounts

are not in order." The municipalities like Beijing and Shanghai are more simple in terms of conditions when compared with provinces, so their accounts are clearer.

In addition, those places with developed market economies will have more foreign-funded enterprises, and town or township enterprises. In Guangdong and Jiangsu, for example, the state-owned economy and the people-run economy each account for 50 percent of the economy, and this kind of economic condition naturally "keeps fortune among the people," and their contributions look smaller when compared with Shanghai, where state-owned enterprises account for an absolute proportion of the economy.

Here, the possibility that some localities are still unhappy with the revenue-sharing system cannot be excluded, so they are somewhat conservative in calculation and statistics, so as to protect some local interests.

Although there are detailed procedures for collection and management of tax, China is too big and different localities have different conditions, and under many circumstances the handling of concrete problems can cause great controversy. To date, for example, the detailed procedure for collecting value-added land tax, the most controversial one, has failed to reach a consensus and to be promulgated.

Zou Jiahua Praises KMT Airlines' Uprising

*OW0911100994 Beijing XINHUA in English 0955
GMT 9 Nov 94*

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—A ceremony was held here today to mark the uprising of two Kuomintang [KMT]-controlled airlines 45 years ago, which involved 2,000 workers of the airlines and 12 planes.

The uprising took place in Hong Kong on November 9, 1949, shortly after the founding of the People's Republic of China was proclaimed.

Over 400 people from all walks of life, including participants of the uprising, workers from the Civil Aviation Administration of China (CAAC) and government officials attended the ceremony.

Speaking on the occasion, Zou Jiahua, vice-premier of the State Council, highly praised the uprising as "a historic event" and saluted those involved in uprising for their contribution to China's civil aviation industry.

China's civil aviation sector has grown rapidly thanks to the policy of reform and opening to the outside world and will grow further with the policy, Zou said.

He expressed the hope that the aviation industry would renew progress by introducing advanced technology, equipment and management expertise from abroad and play an even greater role in China's modernization drive.

China's civil aviation industry has grown dramatically over the past 45 years, on the basis of the 12 small passenger airplanes that got into the hands of the people.

The country now boasts a fleet of about 400 aircraft, which operate on 647 domestic and international routes, said Jiang Zhuping, director-general of CAAC. The traffic volume of the airline ranked 12th in the world in 1993.

Jiang said that China plans to turn its civil aviation sector into one of the world's most powerful in 20 years, in a bid to meet growing transport demand.

Li Boyong Addresses Industrial Safety Symposium

*OW0911101594 Beijing XINHUA in English 0835
GMT 9 Nov 94*

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—Chinese Minister of Labor Li Boyong said today that the country is willing to cooperate with all countries and regions of the world in the area of work safety.

"Upgrading the overseeing of work protection, preventing industrial accidents and reducing job hazards to protect the safety and health of workers are top priorities in China's labor policies," the minister said at an international exhibition on industrial safety and prevention opening today.

"Work safety and accident prevention is more important than ever to the country in this time of economic growth, because they are vital to social stability and sustainable rapid economic progress," Li said.

The exhibition, lasting for six days, and attracting 130 companies from China, Australia, Italy, France, Germany, Japan, the U.S., and Hong Kong, was intended to help China "to absorb advanced overseas expertise in accident prevention," according to Li.

According to the latest figures available from the Ministry of Public Security, 1993 witnessed 38,000 fire and other accidents, resulting in 2,467 deaths, 5,977 injuries and 1.12 billion yuan (128.7 million U.S. dollars) of direct economic losses.

Commission Says Economy Approaching 'Soft Landing'

*HK0911040694 Beijing ZHONGGUO ZHENGQUAN
BAO in Chinese 15 Oct 94 p 1*

[By He Bi (0149 1801) and Duan Wen (3008 2429): "Analysis of Economic Situation This Year by State Economic and Trade Commission Shows Macroeconomy Is Moving Gradually Toward a Soft Landing"]

[FBIS Translated Text] According to an analysis by an authoritative department, the economy's performance in the first half of this year indicates that the development of the national economy has maintained a positive momentum of sustained and rapid growth, total supply

and demand are basically in balance, exports have grown by a big margin, growth of fixed assets investment has fallen significantly, state revenue has increased steadily, the financial situation has improved further, and on the whole the economy is gradually moving toward a "soft landing," the general goal of the regulation and control effort.

The information center of the State Economic and Trade Commission has analyzed the development, operation, and performance of the macroeconomy in 1994, which indicates that considerable strength has been applied to the structural reforms in taxation, banking, foreign trade, foreign exchange, investment, and commodity prices that were launched earlier this year. However, because the central government strengthened and improved macroregulation and control there have not been major fluctuations in economic development, which has not only helped reverse the overheating economic development experienced last year, but has also ensured the sustained and steady growth of the economy.

However, the analysis also points out that some outstanding problems still exist in economic life. In particular, conflicts on a microeconomic scale have been more fully manifested, which primarily find expression in relatively high price increases in the market and the structural inadequacy of immediate consumption demand, poor linkage between production and marketing and big increases in stockpiles of finished products, shortages of funds for enterprises and serious defaults in fulfilling financial commitments to each other, the overall scale of capital construction investment projects underway is still on the big side, and hidden troubles in agricultural production continue to exist.

According to the above analysis, there is no need for any major adjustment to macroregulation and control on the whole, but the following tasks deserve special attention:

1. Concentrate energy on checking inflation, controlling price hikes, and ensuring the steady improvement of the people's living standards;
2. Active guide residents toward immediate consumption to ease the problem of insufficient effective demand in the market and sluggish product sales;
3. While controlling the scale of credit to an appropriate extent, step up efforts to clear up the problem of payment defaults among enterprises and increase the effective supply of funds, improve the efficiency of their use, and alleviate the conflict between the demand and supply of funds;
4. While controlling the scope of investment in fixed assets, further improve the mix of investments and step up investment in technological transformation;
5. Further deepen enterprise reform; convert the operational mechanism of enterprises; do a good job of eliminating deficits and increasing profits and cutting

down production to control stockpiles; speed up the process of introducing the modern enterprise system; carry out in greater depth the campaign of improving management, building up internal resources, and raising cost-effectiveness; and increase the vitality of enterprises;

6. Pay more attention to the status of agriculture as the foundation of the national economy and make good preparations for preventing and fighting disasters with a view to reaping good harvests and laying a stable foundation for next year's economic development.

According to this analysis, all major economic indexes this year are expected to exceed their targets, but the overall situation is expected to stay within a basically normal scope:

The economy will continue to exhibit sustained and rapid growth. GDP may grow by about 11 percent, the total output value of industry at and above township level will grow by 18.5 percent, and industrial value added will grow by 15 percent. Agricultural production is above average. If no extraordinary natural disasters occur, total agricultural output value will grow by around 5 percent and the output of major agricultural and sideline products will be stable or increase. Investment in fixed assets will maintain an appropriate scale. Total investment in fixed assets will reach some 1,450 billion yuan, up 22.6 percent over last year. Market sales will increase steadily on the whole, with supply slightly in excess of demand. The total retail volume of consumer goods will reach 1,530 billion yuan, up 25 percent. The total volume of imports and exports will reach \$230 billion, up 18 percent over last year. The total export volume will reach \$110 billion, with the spot exchange balance at the end of the year expected to stay above \$25 billion. The banking situation will develop steadily, with an additional 520 billion yuan in bank loans, an increase of about 40 billion yuan over last year. A net amount of 110 billion yuan will be put into circulation, which is 40 billion yuan less than the yearly plan and the 1993 figure. The rate of price increases in the market will be slightly higher than last year: Retail prices nationwide will rise by 15 percent or so and prices related to residents' consumption by 17 percent.

Experts Predict 'Soft Landing'

HK0911090394 Hong Kong CHING CHI TAO PAO in Chinese 43, 31 Oct 94 pp 21-23

[By Chiang Tao (3068 3447): "Mainstream View of Beijing Experts in Forecasting China's Economy is That a Soft Landing Is Very Likely But Two Dangers Exist"]

[FBIS Translated Text] The performance of the Chinese economy this year and next and the major problems currently facing the national economy, and how they will develop next year in particular, are issues of common concern for people abroad and at home, and, moreover, there has been all kinds of speculation about this. Quite

a few analysts maintain that the Chinese economy will maintain high growth, price hikes will slow down, and a soft landing is expected to take place. However, some experts hold different opinions. On the basis of the views aired by many experts and scholars and officials of relevant departments during interviews given to our staff reporter and the "Analysis and Forecast of the Chinese Economic Situation (1994 Autumn Report)," which was submitted to the "Forum on Analysis and Forecasting the Chinese Economic Situation," sponsored by the two forecasting groups from the Chinese Academy of Social Sciences [CASS] and the General Statistical Department of National Economy of the State Statistics Bureau, our staff reporter compiled the following report.

The Overall Economic Situation is Promising This Year, Major Reforms Are Being Carried Out Smoothly, and Macroregulation and Control Has Yielded Marked Results

The view of the "Autumn Report" and many experts on the 1994 economic situation is that the overall situation is fine and its main manifestations are as follows:

1. Since the beginning of this year, a series of major reform measures have been taken one after another in the areas of finance, banking, foreign economic and trade relations, investment, and prices, and initial results have been achieved. In particular, the short-term negative impact resulting from the introduction of reform measures in the foreign exchange, foreign trade, fiscal and tax, and banking sectors was smaller than anticipated and actual results were better than expected. Since exchange rate unification, the renminbi exchange rate has steadied and risen; the gap between imports and exports has narrowed and the state's foreign exchange reserves have increased; fiscal and tax system reform has proceeded rather smoothly, and domestic financial revenues in the first half of this year have registered a marked increase compared with the previous year. Financial operations have been smooth and steady, and the volume of currency in circulation and the total volume of loans have been put under effective control, thus guaranteeing the needs of structural readjustment and rapid economic growth. The adoption and smooth implementation of the major reforms noted above have laid a foundation for the sustained, rapid, and healthy development of the national economy and have had and will continue to have a great impact on the establishment and improvement of the socialist market economy structure.

2. Quite remarkable results have been achieved in most macroregulation and control indexes. The outstanding manifestation is that the macroregulation and control measures have not caused big ups and downs in the economic operation. While steadily falling, the economy has maintained relatively rapid growth, the macroeconomic environment has markedly improved, and the balance between banking, foreign exchange, finance, and goods and materials has begun to take a turn for the

better. In the first half of the year, GDP increased by 11.6 percent from the same period last year, a drop of 2.5 percentage points from the same period last year. Investment in fixed assets by the entire society rose by 25.2 percent over the corresponding period last year, a fall of nearly 36 percentage points in growth, thus checking the overexpanded scale of investment to a certain extent. This shows that the Chinese economy will very likely realize a soft landing next year.

According to an estimate, GDP this year is expected to grow at a rate of about 11.5 percent, and with this China will continue to be one of the few countries in the world with eye-catching rapid, economic growth. The value added by primary, secondary, and tertiary industries will grow at about 3 percent, 16 percent, and 10.2 percent respectively. The total volume of investment in fixed assets by the entire society will amount to 1.55 trillion yuan, or a real actual growth rate of 18.3 percent. Commodity retail prices are expected to rise by about 19.5 percent. The total volume of imports will increase by 16 percent to \$1.2 trillion [figure as published] and exports will rise by 25 percent to \$115 billion.

The National Economy is Confronted With Five Major Problems: What is Most Urgent is To Curb Inflation But Related Problems Should Also Be Solved

Many experts maintained that at present the Chinese economy is confronted with a series of problems which require urgent solutions. The most pronounced are the problems of inflation, the scale of investment, state enterprises, agriculture, and imbalanced regional development. In terms of the current situation, the most urgent problem is that of inflation, which is closely related to the other four problems. "The report" emphatically pointed out: Inflation, the scale of investment, state enterprises, agriculture, and imbalanced regional development are the deep-seated reasons China has been repeatedly plagued with an inflation problem for a long time. Therefore, solving these four problems satisfactorily by deepening reform is crucial in curbing inflation and establishing a socialist market economy structure.

The report also held: Since the drive of reform and opening up to the outside world was launched, a remarkable change has taken place in the operational mechanism of the Chinese economy. This is bound to have had a great impact on the price formation mechanism. Therefore, it is necessary to differentiate between price rises generated by structural price readjustments and inflation generated by excessive aggregate demand resulting from structural barriers or the mismanagement of economic operations. The former is an unavoidable cost of institutional reform and economic development, while the latter is the main problem which should be solved in the current effort to rectify inflation.

What Are Favorable Conditions for Prediction That a Soft Landing Is Very Likely for Economy Next Year?

The experts maintained: A soft landing has a prerequisite, that is, on the basis of what has been achieved in

deepening reform and applying macroregulation and control this year, if we continue to vigorously expedite the reform process with the establishment of a socialist market economy structure as the goal, strengthen macroeconomic regulation and control, and act prudently, we can expect that the economy's "soft landing" will achieve further success. In terms of the present intensity of macroregulation and control, economic growth in 1995 is expected to see a further steady slowdown, and GDP is expected to grow at a rate of 10 percent or slightly higher. The growth of investment in fixed assets will further decrease, and investment in fixed assets throughout society will grow at roughly the same rate as the economy. Inflationary pressures will be considerably alleviated. Commodity retail prices in the country are expected to rise by about 13 percent. The people's income will continue to increase, actual growth in commodity sales is expected to exceed the 1994 level, and hopefully the foreign trade situation will further improve and achieve a rough balance between imports and exports.

The favorable conditions for the economy to expand with relatively good results in 1995 are as follows: First, the macroregulation and control begun in 1993 has been carried out smoothly and appropriately, and, as a result, the macroeconomic environment has improved quite remarkably; the supply of materials and funds, savings balances, and foreign exchange reserves are better than the situation which applied in previous times; and "bottlenecks" arresting economic development have been removed to varying degrees. Second, quite positive results have been achieved by the numerous major reforms introduced in 1994. In 1995, such measures as state-owned enterprise reform will continue to be taken one after another to further bring out the policy effects in promoting economic development. Third, despite macroregulation and control, the domestic market is still growing steadily and it has quite big potential for further development. Fourth, investment which was poured into infrastructure in the 1980's has gradually formed a supply capability, which has in turn continuously strengthened the construction of infrastructure. Fifth, the enthusiasm of localities and enterprises for development has not waned, and, if properly guided, will become one important guarantee for maintaining a rapid growth rate. Sixth, favorable factors of change in the international environment are developing further.

If Macroregulation and Control is Not Carried Out Properly, Two Dangers Will Still be Around

However, the "Autumn report" pointed out: While there is the greatest possibility that the Chinese economy will successfully realize a "soft landing" in 1995, there are also two dangers facing the economy as a result of deteriorating macroeconomic operations caused by improper macroregulation and control.

The first danger is that inflation stays high and, moreover, due to pressure from all sides, macroregulation and

control efforts may be relaxed too early, expanded investment could return, and growth could accelerate again, thus further intensifying the macroeconomic environment. Although this could possibly push the economic growth rate in 1995 one or two percentage points higher, it would ignite hyperinflation and, in the end, we would be compelled to adopt "hard landing" measures in terms of macroregulation and control, and this would certainly lead to big ups and downs in the economy. This would not only be a waste of resources but could also cause a possible slowing of reform and seriously affect reform and development.

The second danger is that commodity prices spiral continuously, while improper handling of the intensity of macroregulation and control or negligence in the orientation and mastery of macroregulation and control causes a drastic fall in the rate of economic growth, a sharp increase in joblessness, a drop in the people's income, and structural "stagflation." The emergence of this possibility would cause a drastic fall in the economic growth rate in 1995, and, at the same time, in part because supply is weak and because measures must be taken to increase investment to stimulate the economy, the contradiction between aggregate supply and demand would intensify. This would mean pouring oil over the flames of inflation.

Six Policy Proposals That Merit Attention

Many experts held: Curbing inflation should be taken as the most important task in economic work this year and next. It is necessary to make full use of the positive results of the series of major reform measures taken in 1994 and the favorable situation in which the macroregulation and control effort has yielded initial results, continue to deepen reform; in particular, solve problems in agriculture, state-owned enterprises, and the investment structure; and eliminate the deep-seated causes of inflation. The "Autumn report" stated: Economic work in 1995 must selectively stress the contents of economic growth such as quality, efficiency, and structure, a growth rate of about 9 percent, a commodity price rise rate of under 10 percent, and economic growth roughly synchronous with investment growth as the goals of macroregulation and control, and it must ensure that they will all be realized in 1996 to create conditions for the sustained, rapid, and healthy development of the national economy. Toward this purpose, the following six things should be done well:

—Firmly keep inflation down. While continuing to maintain the orientation of the current macroregulation and control effort, we should carry out macroregulation and control more vigorously and adopt more macroregulation and control means to avoid the revival of an overexpansion in investment generated by the blind pursuit of output value and speed.

—Take both temporary and radical measures with the stress on the former. In terms of the current situation,

we can only adopt the principle of giving consideration to both temporary and radical measures in handling inflation. To check the urgent and pressing high inflation, we should take primarily temporary measures, such as continuing the imposition of limited prices for the people's daily necessities and appropriately increasing imports of some commodities which are in short supply and which have a bearing on the national economy and the people's livelihood to keep domestic market prices down. Nevertheless, in taking temporary measures, we should guard against creating more difficult problems in our efforts to rectify inflation.

- Selectively push reform ahead in the field of material production, agriculture reform, state-owned enterprises, and the investment structure in particular. What is badly needed at present is to step up the improvement and implementation of the "Bankruptcy Law" and the institution and improvement of a social security system.
- Pay full attention to the importance of strategic structural readjustment. The national economy is currently confronted with many problems, including inflation, the scale of investment, agriculture, and unbalanced regional development. To a large extent these are structural matters which cannot be completely solved by controlling total quantities. Therefore, we should start with total quantity control and structural readjustment. Neither should be overemphasized at the expense of the other.
- Attach importance to problems that may result from the overexpanded financial budget deficit. Nineteen Ninety Four is the first year of implementation for the new financial budget system. The financial deficit, excluding debt income, is already slightly too big. This year's deficit constitutes about 18 percent of total financial expenditures this year. This excessive deficit will cause financial macroregulation and control to lose its effectiveness. Distributing government loans in large quantities will drain nongovernment investment and divert funds to consumption. This will have a harmful impact on the long-term development of the national economy. From a long-term point of view, a rough balance must be maintained between nondebt financial revenue and financial expenditure to bring the role of financial macroregulation and control into play.
- Place great stress on exercising macroregulation and control by making use of the interest rate lever to promote a balance between aggregate supply and demand. At present, we should place great stress on ensuring a steady slowing of the economy by increasing short-term interest rates so that interest rates will become an effective weapon with which to guard against inflation.

Liu Guoguang, special adviser to the CASS; Li Jingwen, director of the Institute of Quantitative and Technical

Economics at CASS; Qiu Xiaohua, director of the General Statistics Department of National Economy of the State Statistics Bureau; and Liu Shucheng, vice director of the Institute of Quantitative and Technical Economics at CASS, were the executive persons in charge of the "Autumn Report" mentioned in this article, while Wang Tongshan and Zhang Xin did the actual writing. CASS Vice President Wang Luolin presided over the forum.

Budget Deficit Estimated at 60 Billion Yuan

HK0911040594 Hong Kong MING PAO in Chinese 7 Oct 94 p B1

["Special report" by Fang Yuen (2455 0337): "Financial Deficit Expected To Reach 60 Billion Yuan; More Than Half of All Counties Unable To Distribute Wages Normally"]

[FBIS Translated Text] According to sources, although China implemented taxation reform this year and central tax revenue has increased, state finances are still in great difficulties. Estimates by relevant bodies indicate that China's deficit this year will greatly exceed the 30-billion yuan plus figure of last year, and is likely reach 50 or 60 billion yuan. Due to tight fiscal policies, about half of the country's 2,400 counties have been unable to distribute wages normally this year.

According to sources in Beijing, the main reason for the central fiscal tightness this year is that the pressure on expenditure has increased, and as the tax-sharing system is still in a transitional stage, income coming to the center is increasing at a far slower rate than expenditure. In particular, wage adjustments in government organs have seen serious overspending, and in the second half of the year, after this has materialized, financial difficulties at all levels (especially county-level finances) will be further exacerbated.

According to sources, the various specialized state banks implemented new financial systems this year, bad debt reserve funds are no longer being handed out, and state-run enterprises are now being exempted from the "two funds" (energy and communication construction funds and fixed asset investment directional readjustment funds). Added to this has been the increase in tax rebates for export trade and subsidies for foreign exchange rate differentials. This has resulted in a reduction in income and an increase in expenditure totaling over 40 billion yuan renminbi. This year's wage increases for personnel of organs and institutions, which began last year, will result in 24 billion yuan of increased expenditure. The above two elements will result in financial expenditure increasing by over 60 billion yuan. Together with increased expenditure in other areas, it is a foregone conclusion that the financial deficit will be much greater than last year.

Because the new financial regulations prohibit the funding of deficits by bank overdrafts, the government

will have to rely on bond issues to balance the budget. It is understood that domestic and international bonds with a total value of 120 billion yuan renminbi will be issued this year. This means that half of China's financial revenue will be derived through borrowing.

At the same time as China's fiscal accounts are difficult to balance, local finances are also tight. According to estimates, 50 to 60 percent of China's 2,445 counties have been unable to pay wages normally this year. This figure is much higher than the 40 percent level in 1992. What is meant by being unable to pay wages normally is that wages are deferred or are not paid on time.

The main factor giving rise to the financial difficulties, apart from the increases in expenditure, is that the growth of fiscal revenue has not been synchronous with economic growth. That is to say, a major reason for the problem is that the increase in financial revenue has been lower than overall economic growth. According to sources, since the implementation of the new tax system, some areas have adopted temporary, transitional measures in their implementation and the relevant tax regulations and detailed rules have not been strictly implemented. In addition, tax evasion and defaults on tax payments are quite serious. By the end of June, tax arrears of industrial and commercial enterprises totalled 16.3 billion yuan renminbi. This was an increase of 11.3 billion yuan compared to the beginning of the year, and a 7.15-billion-yuan increase compared to the same time last year.

Relevant experts believe that the major cause of the current financial problems is that the tax system reform is insufficiently thorough. This is because the current tax-sharing system uses figures from 1993 accounting settlements as its base figures, and as both old and new tracks coexist, the new structure is used for operations and the old system is used for settling accounts. The aim is to protect the vested interests of the localities and reduce difficulties in implementing the new system. Thus, the central finances have not seen great growth. Also, since the central authorities and local authorities divided tax incomes, local tax income has grown by close to 40 percent, while central tax income has grown by a little over 10 percent. Also, fixed income going to the center has declined by nearly 20 percent.

Commentary on Reforming State-Owned Enterprises

HK0911115794 Beijing CHINA DAILY in English 9
Nov 94 p 4

[CHINA DAILY commentary: "Filling the Sails"]

[FBIS Transcribed Text] China will go full tilt to boost the reform of State-owned enterprises next year. The goal is to integrate the firms into a modern corporate system.

At an ad hoc conference held last week, the State Council affirmed that the reform will be a focal task next year

and called on all the departments concerned to treat it as such in their practical work.

This year, the country has instituted reforms in taxation, finance, and the banking and foreign exchange systems. The macroeconomic improvements resulting from these reform measures have created a favourable environment for further enterprise reform next year.

Enterprise reform is indispensable to the success of the overall economic reforms, which require such a restructuring to remove a bottleneck.

In the past 15 years, enterprise reform has been confined mainly to policy adjustments, under which the government delegated more powers to the enterprises and accorded them a larger share of their income.

By giving decisionmaking powers to producers and allowing them to retain a certain proportion of their profits, the reform eased the restrictions of state planning and spurred the initiative of enterprises.

The contract responsibility system was adopted by many enterprises and the shareholding system was also launched on an experimental basis.

However, these adjustments have had but a limited effect on the basic problems of state enterprises.

The question of property rights in enterprises has not been definitively settled and drawbacks have been detected in the contract system.

In short, the reform in the past decade has not been able to fundamentally solve the problems that have long plagued state firms, some of which, for historical reasons, have been carrying inordinate burdens.

Of the industrial enterprises on the state books, 44.5 percent were still oozing red ink at the end of September.

Turning them around and leading them on to the path of prosperity will have not only economic but also political impact.

As President Jiang Zemin has said, the results of enterprise reform will indicate whether economic reforms can achieve their goals and whether a socialist system can be consolidated in our country.

As planned, the next phase of enterprise reform will create a new system—a modern corporate system—which meets the requirements of a market economy.

The new system will establish clear-cut property rights in state enterprises, effectively remove government interference from enterprises' routine operations, cut the link between producers and the government and end the state's unlimited responsibilities for enterprises.

This will make all state enterprises self-reliant in investment, production, marketing, and personnel management and also responsible for their own profits and losses.

A hundred firms have been chosen by the State Council to pilot the modern corporate system next year.

Since the experiment is entirely new, it must be carefully monitored by governments at all levels, as urged by the central authorities.

Since the enterprise reform cannot go ahead alone, more efforts will also be made to develop the social insurance system and institute further reforms at the macroeconomic level.

All of this will help the enterprise reform to proceed more smoothly.

Negative Effects of Preferential Policies Viewed

HK0911032794 Beijing FAZHI RIBAO in Chinese 20 Sep 94 p 7

[Article by Kan Cunduan (7074 1317 4551) and Pan Fengqiu (3382 7685 4428): "Negative Effect of 'Preferential Policies' Should Not Be Overlooked"]

[FBIS Translated Text] Since the beginning of reform and opening up, various kinds of "preferential policies" have emerged as required by the process of economic development. Some preferential policies have been formulated by the state to encourage foreign businessmen to invest in China or to boost the development of certain industries and trades, while others have been extended by local authorities for the purpose of protecting and supporting the development of certain economies under different ownerships. Undoubtedly, these "preferential policies" have played a certain positive role in promoting the economic take-off of our country under specific circumstances during a certain historical period. However, measuring the present situation by the requirements of the establishment of a socialist market economy, we can see that many existing "preferential policies" have already revealed another side which is obviously irrational and less scientific, and they have produced the following negative effects since they were adopted.

Firstly, in conflict with the country's goal of reform, they are unfavorable to our present efforts to promote technological progress and improve the ability of our enterprises to compete in the market. The implementation of these "preferential policies" has led to a situation where among enterprises turn out the same product under the same industry, and some are entitled to certain preferential policies while others can only make use of non-preferential ones. As a result, a considerable number of departments and enterprises no longer devote their energy to enhancing their technological standards or reinforcing operational management; instead, they try every means to make their higher authorities extend preferential policies or treatment to them. What is more, in order to remain in an invincible position, some enterprises have racked their brains for scheming ways to make indiscriminate use of preferential policies. That is why a growing number of enterprises are currently trying

all they can to pass themselves off as joint ventures, school-run enterprises, or collective enterprises.

Second, as an obstacle to the rational utilization of foreign investment, they will eventually impair the overall interests of the country. Our purpose in running foreign-invested enterprises is to assimilate advanced technologies and management experience from foreign countries, use these technologies and experiences to enhance the overall standards of our enterprises, and gradually bring them more into line with international practices. When the reform and opening up policy was first introduced, in order to encourage more foreign businessmen to invest in China, it was necessary to adopt certain preferential policies. However, under today's situation where more and more foreign-invested enterprises are being established each day and foreign investment has been utilized in more fields, these preferential policies have also given rise to a number of problems.

To reach their goal in attracting joint-venture investment, different localities are vying with each other to formulate their own "preferential policies." Such a practice, from which only foreign investors benefit, can lead to a huge loss of state assets. What is more, they have also proved detrimental to the introduction of advanced equipment, technologies, and management experience from overseas by foreign investors. In that case, we can never attain the results we expect from joint investments.

Third, they will hinder our efforts to readjust the industrial structure and enhance the efficiency of the macroeconomy.

Under state industrial policies, the objects of protection and encouragement are industries which urgently need further development. However, under the "preferential policies" different localities have worked out to safeguard their own partial interests, those under protection may not necessarily be industries that need further development; sometimes they can be industries in which further development is restricted by the state. Under a situation where those enterprises that need reinforcement cannot be reinforced and those that should be eliminated through market competition cannot be eliminated, people have found it hard to allocate the resources of society in a rational way, readjust the industrial structure, and enhance the efficiency of the macroeconomy.

Fourth, contrary to the existing laws and stipulations of the state, they harm the integrity of state laws and stipulations. The socialist market economy is a well-ordered economy under the guidance of the legal system. "Preferential policies" should not surpass or obstruct the effective laws and rules of the state. However, formulated on the basis of local protectionism, a considerable number of existing "preferential policies," some of which have even become mandatory, have arbitrarily offered tax reductions and exemptions that run counter

to state stipulations on tax collection, thus leading to a chaotic situation in law enforcement.

Fifth, going against the principles of the market economy, they weaken the competitiveness of enterprises who wish to compete in the market on an equal footing. It is true that during the initial stage of reform and opening up, "preferential policies" did play a certain role in accelerating the pace of reform and opening up, gradually narrowing the gap between domestic enterprise and those in advanced countries, and readjusted the country's industrial structure. However, along with the gradual establishment of the country's market economy, China's existing "preferential policies" have created such a policy environment under which foreign-invested enterprises and domestic enterprises are not competing on an equal footing, because some enterprises enjoy "super-citizen treatment" even under the conditions of a unified market. Such a situation deviates from the basic principles guiding the formation and development of the market and will surely put Chinese enterprises in a disadvantageous position in competition for international markets, especially at a time when China is approaching the goal of reentering the GATT.

In view of the aforementioned problems brought by "preferential policies," this writer considers it a must to accord the formulation and implementation of state "preferential policies" with the state's industrial policies. In other words, "preferential policies" should not be extended to investment goals only, but should mainly be enjoyed by industries whose development is supported and encouraged by the state. To adapt our enterprises to competition in international markets as soon as possible, we must create an equal policy environment for foreign-invested and domestic enterprises and for the different types of domestic enterprises so they can all begin from the same starting line.

China To Produce Coal Based on Market Demand
OW0911102794 Beijing XINHUA in English 1005 GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—China is to arrange its coal production and transportation according to market demands next year, said an ongoing national meeting on coal orders here today.

An official from the Ministry of Coal Industry said that greater efforts should be made to keep a balance among production, transportation and market demands.

The official revealed that more long-term coal supply contracts will be made between coal producers and users across the country next year.

Coal prices will be settled by both sides through negotiation, he said. According to the ministry, supply exceeds demand on the domestic coal markets since the beginning of this year. However, demand for quality coal is up

and as a result, their prices are going up. This is especially so in Shanghai, the country's commercial and financial center, where the coal market is particularly at risk.

On the other hand, China fulfilled its annual coal export target in October, more than two months ahead of schedule. The total coal export of the year is expected to reach a record-high of 21 million tons.

China's coal output hit 93.41 million tons in October and the total output from January to October topped 920 million tons, a 5.8 percent increase over the same period of last year.

The ministry said that major state-owned mines have turned out a total of 390 million tons of coal since the beginning of this year while local mines produced 530 million tons, up 2.2 percent and 8.8 percent respectively as compared with the same period of last year.

Ministry Puts Coal Exports Under Unified Operations

HK0911073894 Hong Kong CHING CHI TAO PAO in Chinese No 43, 31 Oct 94 p 24

[From "China Economic News" column: "Coal Exports Placed Under Unified Joint Operation"]

[FBIS Translated Text] The Ministry of Foreign Trade and Economic Cooperation [MOFTEC] decided a few days ago to place coal exports under unified joint operation.

The provision on coal export is as follows: The China National Coal Import and Export Corporation handles coal exports in a unified way on a commission basis and undertake the state's export task according to the planned coal export quota set by the state. The corporation exports the coal under its management by itself and undertake the state's export task according to the planned export quota set by the state. The China National Metals and Minerals Import and Export Corporation has drawn up a unified and coordinated coal export price plan to be relayed to the relevant business companies and license-issuing organs for implementation and reported to MOFTEC for the record. The corporation is also responsible for coordinating coal exports.

Foreign Funds Sought To Develop Business District

HK0911064394 Hong Kong SOUTH CHINA MORNING POST (PROPERTY POST) in English 9 Nov 94 p 1

[By Peggy Sita]

[FBIS Transcribed Text] Beijing is desperate for foreign investment to develop the second phase of Finance Street, its new, 103 hectare central business district (CBD). Huang Jiankun, director and deputy general

manager of Beijing Finance Street Construction Development Corp, said about 30 parcels of land in the first phase had been committed to domestic and overseas investors, primarily for office development. "Now we are looking for cash to explore the second phase—the comprehensive development of luxury flats shopping centre and hotel towers," said Mr Huang.

The development firm is controlled by the municipal government and was formed at the end of 1992. The overall development is aimed at turning Beijing into an international financial hub and figures as a key part of the city's long-term master plan. The plan is to provide a total gross floor area of 21 million sq ft of office space to house the headquarters or branches of domestic and international financial institutions.

The second phase of development covers about 17 hectares and will be split into about 10 individual projects mainly for residential, hotel and retail uses. "We want more Hong Kong tycoons to get involved," said Mr Huang. There was a poor response from Hong Kong property companies to the first phase of development. The major investors in the financial phase have been mainly Beijing financial institutions which will take up 60 per cent of the first phase of development, which includes the Bank of China and CPEC towers situated on both sides of Finance Street. Other banks are Agricultural Bank of China, Bank of Communications, China Investment Bank, Industrial and Commercial Bank of China and People's Construction Bank of China. Mr Huang said a United States investment firm was negotiating to develop four office blocks costing 1.8 billion yuan (about HK\$1.63 billion).

Official Urges Overseas Investment in Transport

HK0911115194 Beijing CHINA DAILY in English 8 Nov 94 p 1

[By Sun Shangwu]

[FBIS Transcribed Text] A senior economic official yesterday called for more overseas investment in the country's infrastructure.

Addressing a group of foreign business people, Ye Qing, vice-minister of the State Planning Commission, outlined the country's infrastructure and development needs for the next few years.

Communications and transportation, especially railway construction, are top of the agenda, said Ye.

The vice-minister was speaking at the opening ceremony of the two day Roundtable on Policy Aspects of Promoting Foreign Direct Investment in China's Infrastructure yesterday in Beijing.

Some key railways will become more high-tech and total rail length will reach 70,000 kilometres by the year 2000, a 40 percent increase from the current 50,000 kilometres.

Meanwhile, more than 300 deep water berths will be built in Qinhuangdao, Dalian, Tianjin, and Shanghai harbours, Ye said.

Highways and roads will be built and 20 large airports will be expanded or constructed.

By the year 2000, an urban and rural telephone network will be in operation. And the telephone coverage will increase from 1.6 percent to 5 to 6 percent.

To relieve energy shortage, Ye said, new energy facilities will be set up.

Principles for Using Foreign Capital in Light Industry

HK0911105294 Hong Kong CHING CHI TAO PAO in Chinese No 43, 31 Oct 94 p 25

[From the "China Economic News" column: "Light Industry Development Plan and Foreign Capital Utilization Principles"]

[FBIS Translated Text] When announcing the first group of light industrial projects for international cooperation a few days ago, the China General Chamber of Light Industry pointed out that the use of foreign capital and the establishment of foreign-funded enterprises in light industry must conform to the state industrial policy, the industrial development plan, and basic principles.

The specific key points of the light industrial development plan are as follows: We should raise the overall level of light industry and its product quality and promote foreign exchange earning through exports of leather and its products, handicraft articles, hardware products, cultural, educational, and sporting goods, mechanical products for everyday use (watches, sewing machines, bicycles), foodstuffs, household electrical appliances, plastic products, and so on. We should steadily develop the two basic industries, i.e. foodstuffs and paper manufacturing; we should vigorously develop the interior decoration industry as well as its products; and the plastic processing and household electrical appliance industries should constantly develop new products and open up new areas. Given that it is in line with the state industrial policy and industrial development plan, it is also necessary to lay particular emphasis on the following basic principles:

1. Both parties should cooperate on the basis of mutual benefit and joint development.
2. We encourage the setting up of foreign-funded enterprises for the export of their products, especially those producing hi-tech products.
3. We encourage the use of foreign capital in transforming old enterprises.
4. We encourage the shift of foreign capital to central-west China.

5. Overseas companies and groups are welcome to engage in cooperative projects with the China General Chamber of Light Industry and the competent light industrial departments in the localities.

Regulations on Export Commodities Appraisal Charges

HK0911060694 Beijing GUOJI SHANGBAO in Chinese
23 Oct 94 p 2

["Measures for Levying Import and Export Commodities Inspection and Appraisal Charges"; passages in boldface are introduction to circular]

[FBIS Translated Text] Circular Issued by State Planning Commission and Finance Ministry on Measures and Criteria for Levying Import and Export Commodities Inspection and Appraisal Charges:

State Planning Commission Prices Circular (1994) No. 794.

The Provincial, Autonomous Regional, and Municipal Price Bureaus (Commissions), Finance Departments (Bureaus), as Well as State Import and Export Commodities Inspection Bureau:

We are now printing and transmitting to you for enforcement the following revised "Measures for Levying Import and Export Commodities Inspection and Appraisal Charges" and "Criteria for Levying Import and Export Commodities Inspection and Appraisal Charges."

Annexes: 1. Measures for Levying Import and Export Commodities Inspection and Appraisal Charges

2. Criteria for Levying Import and Export Commodities Inspection and Appraisal Charges

PRC Planning Commission
PRC Finance Ministry
22 June 1994

Article 1. The "Measures" have been formulated in accordance with the "PRC Import and Export Commodities Inspection Law" as well as provisions contained in regulations for implementing "PRC Import and Export Commodities Inspection Law."

Article 2. The "Measures" shall apply to import and export commodities inspection institutions (hereinafter referred to as commodities inspection institutions for short) and to enterprises, individuals, and agents applying to commodities inspection institutions for import and export commodities inspection and appraisal (hereinafter referred to as applicants for short).

Article 3. The commodities inspection institutions shall, in accordance with criteria for levying charges as contained in the "Measures," levy inspection and appraisal charges on applicants. The charges to be levied shall be calculated to the nearest whole number with yuan as the unit.

The import and export commodities quality inspection charges shall be calculated according to aggregate values listed in relevant invoices or contracts. The export commodities' advance inspection charges shall be calculated according to values of similar commodities produced in the same year or in the previous year.

Article 4. Charges to be levied shall be doubled for quality inspection and weight appraisal of dangerous or poisonous goods as well as for delivery means, loading conditions, and transportation appraisals.

Article 5. Charges to be levied for import and export goods quality inspection and appraisal, import and export goods specifications inspection and appraisal, import and export goods weight inspection and appraisal, import and export goods quantity inspection and appraisal, import and export goods safety inspection and appraisal, import and export goods hygiene inspection and appraisal, and import and export goods packing inspection and appraisal shall be calculated in the following four separate groups—quality and specifications, quantity and weight, safety and hygiene, and packing—before being added to the grand total.

More charges shall be levied for inspection and appraisal of some special export commodities in accordance with relevant regulations, including aflatoxins, chemical fertilizer remnants, antibiotics, radioactive materials, male and female hormones, and items containing lead and cadmium.

Article 6. Charges to be levied for import and export commodities quality inspection shall be calculated in accordance with specific quantities after sample inspection is completed.

Article 7. Charges for inspecting precious and rare metals for import and export purposes shall be calculated at 20,000 yuan per kilogram when their unit price is over 20,000 yuan per kilogram.

Article 8. The commodities inspection institutions shall levy inspection charges on applicants in accordance with different inspection procedures. The commodities inspection institutions shall levy full inspection charges on applicants when they conduct inspections themselves. However, they shall levy half of the full inspection charges on applicants when they conduct inspections (including organizational inspections) in collaboration with other institutions. They shall levy one-fourth of the full inspection charges on applicants when they examine and replace inspection certificates (receipts) issued by other authorities with new documents.

The commodities inspection institutions shall levy full weight inspection charges on applicants when they conduct weight inspections themselves. However, they shall levy half of the full weight inspection charges on applicants when they supervise weight inspections. They shall levy one-fourth of the full weight inspection charges when they examine and verify weight inspection results.

Article 9. The inspection institutions recognized by state commodities inspection departments or institutions or other inspection units shall collect inspection charges from state commodities inspection institutions when they are entrusted by state commodities inspection institutions to conduct import and export commodities inspection. The state commodities inspection institutions shall levy inspection charges on applicants according to standard rates.

Article 10. The state commodities inspection institutions shall levy service charges on applicants when issuing certificates based on inspection results supplied by other inspection institutions that have conducted full or partial inspection of import and export commodities in accordance with relevant laws and administrative regulations.

Article 11. Port commodities inspection institutions shall not levy inspection charges. Instead, they shall levy service charges on applicants when they issue inspection certificates for export commodities and allow them to clear ports upon being presented with inspection certificates (papers) issued by other commodities inspection institutions.

The port inspection institutions shall levy inspection charges on commodities without proper inspection certificates and on commodities awaiting reinspection, rearrangement, or sample inspection.

Article 12. No export commodities inspection charges shall be levied on applicants that have paid for advance inspections and obtained advance inspection certificates. However, service charges shall be levied upon applicants that have to replace advance inspection certificates with new inspection certificates (papers) for port clearance.

Article 13. The commodities inspection institutions shall levy inspection charges on applicants notified of export commodities inspection failures. However, with the approval of the commodities inspection institutions, applicants shall only be required to pay half of the full inspection charges when they place reprocessed or reorganized commodities under reinspection for the first time. Nevertheless, applicants shall be required to pay full inspection charges when they place reprocessed or reorganized commodities under reinspection for the second time.

Article 14. When inspection certificates expire, exporters shall be required to apply for and pay for reinspection.

Article 15. If inspection charges on a single import or export commodity exceed 5,000 yuan, applicants shall be required to pay only 80 percent of the full inspection charges.

No inspection charges shall be levied for import and export commodities worth less than 1,000 yuan. In this case, a service charge shall be levied on applicants.

Article 16. Applicants shall be required to provide transport means to or pay travel expenses for commodities inspection personnel or specialists invited to suburban or neighboring areas to conduct reinspection, repricing, sample inspection, advance inspection, tests, and verification; to supervise manufacture and installation; or to examine, reexamine, and reverify commodities.

Article 17. When applying for cancellation of commodities inspection, applicants shall be required to pay a service charge of 30 yuan for commodities awaiting inspection and pay 50 percent of the full inspection charges for commodities under inspection.

When applying for revision or reissuance of inspection certificates, applicants shall be required to pay a service charge.

Article 18. The State Import and Export Commodities Inspection Bureau shall formulate criteria for levying on a trial basis inspection and verification charges on commodities not mentioned in the "Measures" in light of relevant provisions of the "Measures" and report such criteria to State Planning Commission and Finance Ministry for the record. The inspection and verification charges to be levied on a trial basis shall remain in force for two years. The State Import and Export Commodities Inspection Bureau shall apply to the State Planning Commission and Finance Ministry for renewing those criteria two months before the two-year period expires.

The State Import and Export Commodities Inspection Bureau shall formulate criteria for import and export commodities inspection companies or any other designated commodities inspection institutions to levy inspection charges on applicants and shall report those criteria to State Planning Commission and Finance Ministry for the record.

Article 19. Applicants shall be required to pay full inspection charges within 20 days after receiving inspection certificates issued by commodities inspection institutions. Applicants shall be required to pay additional charges on a daily basis starting on the 21st day after receiving the inspection certificates. The daily additional charges shall be equivalent to 5 per thousand of the overdue amount.

Article 20. The inspection and verification charges to be levied in accordance with these "Measures" shall be entered into the account books in accordance with the relevant financial regulations. No one shall be allowed to either undercharge or overcharge applicants or hide or retain any charges collected from applicants.

Article 21. These "Measures" go into effect on 1 August 1994, when all previously promulgated regulations for levying import and export commodities inspection and verification charges are abolished.

(Annex 2 omitted.)

Pacts With 'Exchange Speculation' Firms Banned

HK0911071794 Hong Kong CHING CHI TAO PAO in Chinese No 43, 31 Oct 94 p 24

[From "China Economic News" column: "Domestic Financial Institutions Banned From Cooperating With Offshore Foreign Exchange Speculation Companies"]

[FBIS Translated Text] The State Administration of Exchange Control recently issued a "Circular on Banning the Signing of Cooperation Agreements With Offshore Foreign Exchange Speculation Companies."

The "circular" pointed out: Taking advantage of the customers' lack of knowledge about the risks involved in the foreign exchange market and their desire to reap exorbitant profits, illegal offshore foreign exchange speculation companies which are currently active in China using fictitious transactions to attract customers seeking high-risk profits and engaging in speculative foreign exchange transactions. To prevent losses of foreign exchange, protect the reputation of domestic financial institutions, and maintain the normal business order of such institutions, the State Administration of Exchange Control bans all financial institutions across the country from signing relevant cooperation agreements with offshore exchange speculation companies. If such agreements have been signed, they must be immediately terminated and all relevant contacts suspended.

Article Predicts Rising Foreign Trade Deficit

HK0911071294 Hong Kong HSIN PAO in Chinese 20 Oct 94 p 28

[Article by Wang Chien-chun (3769 0578 6874): "China's Foreign Trade Situation Gives No Cause for Optimism"]

[FBIS Translated Text] A report from the Ministry of Foreign Trade and Economic Cooperation, while analyzing China's foreign trade situation, specifically pointed out the following drawbacks:

Demand in the domestic market has been vigorous. Rapid economic development has catalyzed rapid growth in domestic demand, especially the dramatic rise in demand for the means of production. Such strong domestic demand for the means of production has, by contending for resources against exports, caused a shortage of major bulk goods for export, a problem rarely seen since 1989. Except for coke, crude oil, corn, and rice, the export volume of which did not go down, exports of other bulk and conventional commodities fell by a big margin, negatively affecting foreign exchange earnings through exports. According to customs statistics ending 30 June, only 39.6 percent of the targeted export volume of finished oil products was accomplished, 800,000 metric tons of which was exported under the overall state plan, a shortfall of more than 600,000 metric tons. In soya bean exports, only 10.9 percent of

the annual target was fulfilled, down 60 percent compared to the same period of 1993. Cement, rolled steel, pig iron, and cotton exports fell 63 percent, 23 percent, 28.6 percent, and 49 percent respectively in comparison with the same period last year.

Exchange Rate Changes Cause Depreciation of Renminbi

Since the beginning of this year, the general export trade, as an important source of foreign exchange revenue for the state, has continuously shown negative growth. Calculated according to comparable items, from January to July, it dropped by 0.6 percent compared with the same period last year. Meanwhile, influenced by vigorous demand on the domestic market and price hikes, imports of energy, raw materials, and machinery and equipment grew by a big margin. For example, rolled steel imports rose from 7.19 million metric tons last year to 25.36 million metric tons, a 250-percent increase.

The effect of the market has significantly strengthened. Because of the further deregulation of commodity prices, the percentage of prices determined by the market at present are:

Ninety percent of manufactured consumer goods, 70 percent of ex-factory prices of the means of production, and 85 percent of agricultural products. Because prices on the international market have been weak and there is a strain on the supply of goods in the domestic market, which has caused price increases, domestic commodities have once again begun to sell better in domestic markets than overseas markets and the swap cost has risen dramatically. For instance, in 1993, with the exception of petroleum, the swap cost of exports managed by factories or enterprises was merely 5.8 yuan per U.S. dollar, 6.4 percent higher than the previous year. But in the first half of 1993 the swap cost rose to around eight yuan per U.S. dollar, up 37 percent in six months. On another front, as China further relaxes restrictions on imports, foreign commodities have been entering the Chinese market at a relatively high rate. In 1993, imports rose a further 29 percent on the basis of a 26-percent increase in 1992.

The dual exchange rate system and excessive fluctuations in the exchange rate have had an impact. What China practiced in recent years was actually a multitrack exchange rate system. Domestic prices of imports and exports cannot be truthfully reflected in a uniform way. Irregular domestic prices have made it impossible for the law of value to play its normal regulatory role in the economy through international trade. Domestic prices converted to renminbi tend to be different for the same commodities, blocking the market's normal regulatory function in domestic production and circulation. They have also caused discrepancies in the renminbi indemnification of foreign exchange export earnings among enterprises of different natures. In 1993, drastic fluctuations in the exchange rate brought several problems and negatively affected the growth of China's exports. First,

rising import costs far exceeded falling export costs. Second, the introduction of the market economy, the deepening of foreign trade reform, and major fluctuations in the exchange rate, as an important link in exporting, made it hard for enterprises to meet the profits target required by the state. Third, the extra-fast depreciation of renminbi aggravated inflationary pressures. Rapid economic growth and the widening gap between investment demand and supply gave rise to price increases, and the depreciation of renminbi triggered by exchange rate changes added fuel to the flames of inflation. Price increases for labor, raw materials, communications, and energy eventually led to higher export costs. Fourth, foreign importers did not dare to place big, long-term orders and kept asking for the cancellation of contracts signed at the Guangzhou Spring Fair.

The introduction of foreign investment has grown rapidly. In 1993, China took a step further in its opening up drive and made energetic efforts to attract and utilize foreign capital. The amount of foreign capital actually absorbed and utilized that year was double the 1992 figure, reaching over \$36 billion, which was roughly equal to the total in the first 14 years since reform and opening up began. Of the absorbed foreign capital, direct investment by foreign investors took up a large proportion, amounting to \$25.8 billion. And much of this foreign investment materialized as machines, equipment, and other relevant goods invested by foreign investors. As no foreign exchange was paid for them, customs statistics did not include these two items. After these two items were deducted, China's total export volume was bigger than its import volume, showing a trade surplus. This indicates that the rapid growth in foreign investment is one main reason why China is experiencing a trade deficit this year.

External Factors Affecting Foreign Trade

The world economy is in a sluggish state and international trade is growing at a slow pace. As reported by the "Economic Forecast" published by the Organization for Economic Cooperation and Development, the average annual growth rate of its member countries in 1993 was just 1.1 percent, while the economies of Eastern Europe and the CIS are mostly continuing on a downward path. Only the developing countries, especially the integrated economies of East Asia outside of Japan, are showing a positive momentum and enjoying a relatively high growth rate. However, because of the widespread recession among the Western countries, who lead the world economy, the world economy as a whole is not in good shape. Affected by this, the growth of world trade has slowed. According to an estimate, the growth rate in 1993 dropped from the 4.5 percent of the previous year to about 4 percent.

The pressure of trade protectionism has increased and competition for markets has intensified. Since the Cold War ended, the focus of the developed Western countries' domestic and foreign policies has largely shifted to

economic issues. Binding forces among the Western industrial nations have weakened, and their economic conflicts have been aggravated. In particular, at present, while the Western countries face economic recession and prominent unemployment problems, economic and trade conflicts between the United States and Europe, between the United States and Japan, and between Europe and Japan have been escalating. Trade protectionism has once again gained ground, competition for world markets among the big countries and blocs has intensified, and the "Cold War" has turned into a "war of commerce."

International commodity markets have experienced continued sluggishness and falling prices. In 1993, economic development in the Western world was in a poor state. Although changes in various kinds of commodity prices on the international market differed from one another, on the whole, after a brief pickup toward the end of 1992, they quickly backtracked. By the middle of 1993, they had not only dropped to the 1992 level, but were also close to the record lows of October 1992 before the recovery.

Because of the sluggish international market and falling prices, although China increased the quantity of some of its export products, foreign exchange revenue fell. For example, the volume of caustic soda exported by China increased from 93,000 metric tons to 129,000 metric tons, up almost 40 percent, but foreign exchange earnings dropped from \$27.3 million in the previous year to \$26.02 million, down nearly 5 percent. This also happened to other products, such as cotton yarn, gray cotton, gray cotton-polyester, tea leaves, and cashmere.

Structural and Policy Factors Have Much To Do With Problems

From a structural point of view, China's foreign trade enterprises are far from developing a built-in mechanism of self-management and self-development. They are still "pulled and carried" by the government and are evidently dependent in their thinking. Therefore, the export growth of foreign trade enterprises often fluctuates, drastically, with changes in macro policies, the macro-environment, and the international market. Timeliness and flexible adjustment is lacking.

In terms of policies, some policies meant to encourage exports failed to materialize in 1993. This negatively affected the growth of exports to a certain extent. Some major outstanding problems were as follows: The portion of tax reimbursement for exports payable by local financial authorities and subsidies for compensated delivery to the central foreign exchange treasury were not allocated and paid in a timely manner, the export bonus was abolished, and specialized export tax forms were introduced, which some regions and enterprises found hard to adapt to overnight, thus affecting the purchases of export commodities.

What merits attention is that the state failed to conduct sufficient coordination and guidance on foreign trade

activities. In recent years, with the deepening of the reform of the foreign trade system and the further expansion of opening up, more and more units have been given the right to conduct foreign trade operations and the mode of trade has gradually become more flexible and varied. The state has failed to upgrade its macro coordination and guidance to match the changing circumstances and has to some extent caused low efficiency in foreign trade and the outward flow of valuable resources.

On the export front, due to diversified management and a lack of coordination, which has led to market disorder and competitive pricing, China's monopoly of some commodities in the international market has suffered. For example, the rare-earth industry in China blindly set up nearly 300 plants, and the production of some products exceeded total global demand. The enterprises involved pushed prices down against each other to win customers to survive, causing a steep fall in prices on the international market and overall losses to the rare-earth industry. For instance, the price of rich yttrium ore, which has small reserves worldwide, has dropped from \$53 per kg in 1985 to about \$9 now. Another example is that, as a result of competitive pricing among exporters, the price of filature silk, for which China's production accounts for nearly 80 percent of total supply on the world market, has also dropped from \$50,000 to around \$20,000.

On the import front, such problems as competitive pricing, duplicate imports, and varied price offers also exist, putting precious foreign exchange to inefficient use.

Moreover, beginning in the middle of 1993, China strengthened macroregulation and control to rectify borrowing and fund-raising that were against regulations and to restore order in the financial sector. In this process, because money invested in real estate could not be recovered in a short time, the operational funds of some export enterprises were handed in instead to satisfy the inspectors. This caused a shortage of purchasing funds and affected exports, constituting one important reason why China's exports did not show a relatively quick recovery in the second half of 1993.

In another development, in recent years, in order to restore its signatory status to the GATT as soon as possible, China has further reformed its import control system, relaxed restrictions on imports, lowered import tariffs several times, and opened up China's market. This has also stimulated import growth and increased China's trade deficit to some extent.

One can be certain that China's foreign trade situation gives no cause for optimism and that its trade deficit is going to increase.

'Roundup' Notes Success of Bohai Rim Trade Fair
OW0811132394 Beijing XINHUA in English 0855
GMT 8 Nov 94

["Roundup": "Bohai Rim Region a Hot Investment Attraction"]

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—Signing a contract with an Inner Mongolian high-tech enterprise to produce energy-saving lights, Hou Yuan-lin, chief representative to China of Falma Production of Switzerland, smiled.

That project, involving a total investment of 31.5 million U.S. dollars, will save the Swiss company a considerable amount of import fees by using rare earth which Baotou, a major city in Inner Mongolia, is rich in.

"Although Baotou is an inland city, the rare earth it produces is what my company needs most in producing the energy-saving fluorescent lights," said Hou Yuan-lin of Falma, a leading international light producer.

"My company has a large market share of these kinds of lights in Europe. However, it used to cost us a large sum of money to import the rare earth we needed," he added.

Like the Swiss company, hundreds of foreign investors have signed contracts with the Bohai Sea Rim region in northern China at a business fair which closed last week.

The Bohai Rim region, which includes several provinces and municipalities and a part of Inner Mongolia, has turned out to be hot investment property for both foreign and domestic businessmen, observers said.

At least 197 contracts involving a total investment of more than two billion U.S. dollars, and hundreds of letters of intent involving some 30 billion U.S. dollars, were signed during the week-long business fair by overseas investors from more than 30 countries and regions including the United States, Germany, the Republic of Korea, Japan, Australia, Britain, the Netherlands, France, Singapore and Hong Kong.

In addition, investors from other parts of China signed 132 contracts with the Bohai Rim region, with investment reaching a volume of four billion yuan.

The major attractions to overseas investors include the industrial, energy, transport, commercial and real estate sectors. Most of the contracts are for processing local rich resources that are yet to be developed.

Meanwhile, the construction of energy and transport facilities has grabbed the lion's share of the investment. Within two days of the opening of the business fair, the Inner Mongolia delegation signed three contracts, and its investment involved one of the largest contracts, including a large thermal power plant that will cost more than 900 million U.S. dollars.

Another inland province, Shanxi, also reaped a bumper harvest as it signed several contracts with overseas

investors in such sectors as electricity, railways, mine-well telecom facilities, and the making of jewelry.

"It is much better than what we expected," said Cheng Shukai, an executive from the Shanxi delegation. "Foreign investors are most interested in power plants and transport facilities and a dozen foreign investors came in the first day."

He conceded that although Shanxi has yet to improve its infrastructure, it is still a large attraction for foreign investors as the central government is making efforts in the improvement of investment environment there.

Domestic investment, on the other hand, has shown an unprecedented increase. Investors from Guangdong, Shanghai, Shaanxi, Henan, and Hainan, as well as from the Bohai Rim region, Beijing, Tianjin, Liaoning and Shanxi, have looked forward to the bright future of the region.

Contracts and letters of intent in such aspects as real estate, light industry, livestock, construction materials, transport and energy were signed at the fair in the form of cooperation, joint investment and technical transfers.

The Bohai Rim region, including Liaoning, Shandong, Hebei, Shanxi Provinces, Beijing and Tianjin cities, and part of the Inner Mongolia Autonomous Region, covers a land area of 1.12 million square kilometers, or 12 percent of China's territory, while its population of 120 million accounts for some 10 percent of the country's total.

Zhengzhou To Host 1st International Minerals Fair

OW0811140394 Beijing XINHUA in English 0925
GMT 8 Nov 94

[FBIS Transcribed Text] Zhengzhou, November 8 (XINHUA)—The First International Minerals, Precious Stones, and Handicrafts Trade Fair will be held in Zhengzhou, capital city of central China's Henan Province, in April, 1995.

Sponsored by the provincial planning and economic commission, the exhibits and commodities, totalling over 10,000 kinds, will include ferrous and nonferrous metals, jewelry and jade wares, gold and silver ornaments, silk and embroideries.

Also on the fair will be garments, pottery and porcelain, carpets and rugs, clocks and watches, interior decoration materials, and toys.

Some rare treasures in China and other countries will also be put on show at the fair.

China Develops Personnel Exchange Market

OW0911100294 Beijing XINHUA in English 0715
GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—China is speeding up the development of its

personnel exchange market in order to meet the needs of the socialist market economy.

At present, the Ministry of Personnel has cooperated with local governments in setting up three state level major personnel exchange markets in Shenyang, capital of Liaoning Province, and in Tianjin and Shanghai.

Besides, there are 1,145 similar markets in operation throughout the country and 2,546 personnel exchange centers operated by personnel offices of government institutions.

Last year 1.7 million people signed up in the markets for new jobs and 565,000 people got jobs to their satisfaction.

The development of the personnel markets has helped promote the rational use of people.

On the whole, an official of the ministry said, the development of China's personnel markets is still at the primary stage and the ministry has decided to open more regional personnel markets so that personnel of different regions can be exchanged.

Minimum Salary Standards To Be Instituted

OW0911100494 Beijing XINHUA in English 0722
GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—China will institute a minimum salary standard to ensure its employees earn enough bread for their families, the "CHINA CONSUMER NEWS" reported.

The Ministry of Labor has required all provinces, autonomous regions and municipalities to work out a bottom line for employees' salaries according to local conditions. It should be completed before next January the first, when the "Labor Law" goes into effect.

According to an official of the ministry, China has carried out experiments in this field for several years. In 1992 Shenzhen and Zhuhai, both special economic zones in south China's Guangdong Province, took the lead in implementing the minimum salary standard system in enterprises.

The city government of Shenzhen has increased the amount of money of the minimum salary every year, and has established guidelines to ensure the implementation of the system.

Zhejiang has been carrying out an experiment in this field since last May, and Fujian since last October.

Up to now, the Ministry of Labor has approved the program of implementing the system set forth by Shandong, Hebei, Henan, Hubei Provinces and Beijing.

Local Branches of People's Bank To Lose Autonomy

HK0911060094 Hong Kong MING PAO in Chinese 20
Oct 94 p A2

["Special article" by Liang Kuo-jen (2733 0948 0088): "China Makes Breakthrough in Banking Reform, Local Government 'Treasures' To Be Abolished"]

[FBIS Translated Text]

Government Urges Localities To Set Up Urban Cooperative Banks

According to authoritative sources in Beijing, the biggest move in this year's financial reform is to change the function of all local branches of the People's Bank of China [PBOC], transforming them from de facto local financial centers into local agencies of the central bank. This means that the pattern where local branches of the central bank used to be under the administrative jurisdiction of local governments and the operational jurisdiction of the PBOC head office will be thoroughly changed. The influence of local governments on local branches of the central bank will also greatly diminish after they are stripped of their leadership role.

The authoritative sources said the main task of the local branches of the PBOC will be to perform the function of stabilizing the local financial order, which mainly involves supervision over unauthorized fund-raising and borrowings and controlling the issuance of loans and currency. Their previous role as local financial centers will no longer exist with the abolition of their function of supervising the credit behavior of local branches of all the specialized banks. It is said that Zhu Rongji, Chinese vice premier with special responsibility for the country's financial reform and concurrently governor of the central bank, believes that the above-mentioned measure is a crucial step in China's financial reform. Zhu Rongji said: "As long as we take this step ahead, the objective of the financial reform can be achieved step by step."

It is learned that the local branches of the PBOC have always been "treasuries" for local governments and played the role of supervising, on behalf of these governments, the extension of loans by branches of the specialized banks. Because of excessive interference from government administration, about 20 percent of all loans extended by banks nationwide, amounting to hundreds of billions of yuan, stand little chance of ever being recovered. The personalities concerned believe that such unauthorized lending is an important cause of financial disorder in the country. The aim of the financial reform this year and for some time to come is to reverse and eventually eliminate this phenomenon.

It is learned that the process of abolishing the lending authority of local branches of the PBOC has been very difficult. Officials from all local governments feel very much inconvenienced by the loss of their "treasuries." But information from the central government indicates that the "crisis" phase has almost passed. Furthermore, in order to compensate for losses to the local governments arising from the abolition of their "treasuries," the central government has asked all localities to actively set up "urban cooperative banks" to replace the lost channels which local governments resorted to in raising funds. This is another important measure as part of the crucial steps taken in this year's financial reform. The sources concerned remarked: "This is like giving back a

silver purse after taking a gold treasure house." The authoritative sources said that standardizing the behavior of local PBOC branches and encouraging the establishment of "urban cooperative banks" are two major financial reform measures, one destructive and the other constructive. The step has been taken, but a lot of specific follow-up work has yet to be done.

Not Yet Time for Commercialization of Banks

The authoritative sources revealed that the high-level authorities have demanded that the pace of the financial reform be kept at a moderate level. Although the commercialization of all specialized banks is the ultimate goal, it will be very hard to achieve this within a year or two. It is said that the high-level authorities believe that because the planned economic system has operated for so many years, a rather large percentage of state-owned enterprises still survive through hanging on to policy loans from the banks. If the banks are required to commercialize within a short period of time, a large number of state enterprises are bound to shut down, which in turn would probably trigger social unrest. The high-level authorities believe that this is detrimental to creating a good macro environment for the reforms.

On the other hand, the decisionmakers concerned also worry that banks at various levels which have operated under the planned economic system for many years may not necessarily be able to adapt to the role of commercial banks fast enough. A considerable portion of bank personnel lack the necessary psychological readiness and the required qualities to cope with banking operations in the context of a market economy. In view of this, it was learned that the high-level authorities are now asking banks not to take every word that local governments say seriously, nor should they ignore all of their administrative orders.

The authoritative sources said: Another important reason that the financial reform will not move too fast is that the central treasury now lacks the "buy-off [shu mai 6370 6314]" funds required. The commercialization of the specialized banks is bound to affect all aspects of society and, in particular, will cause major trauma for state-owned enterprises. Beijing must produce an appropriate amount of money for the "buy off" to minimize any negative impact. But several major reform measures in commodity prices, state-owned enterprises, and taxation that the state is implementing at present are all expensive "projects," and from time to time there are too many reforms for the available resources to cope with.

Realtor Says Prices for Office Space To Fall

HK0911062894 Hong Kong SOUTH CHINA
MORNING POST (PROPERTY POST) in English 9
Nov 94 p 7

[By Elaine Chan]

[FBIS Transcribed Text] Prices for office space will fall in China's major cities over the next few years due to an oversupply, according to a property consultant agency. The fall would be more than 10 per cent a year and is likely to continue until at last 1997.

The deputy managing director of First Pacific Davies, Alfred Lai Chi-keung said that contrary to popular belief among agents there definitely was going to be an oversupply. He said prices for properties on the mainland overall had slipped 10 to 20 percent since last year. In Guangzhou, Guangdong province, the fall was 10 to 15 percent. "They will continue to move downwards, possibly for the next five years, because the supply will be very big next year and in 1996," he said.

Mr Lai said there would be a gradual downturn of 10 percent every year, but by 1997 it would be about five per cent and levelling off. He cited the Guangzhou World Trade Centre where prices had dipped from HK\$2,800 a square foot in 1992 to \$2,400 this year. "The figures speak for themselves. Guangzhou needs eight to 10 years more to mature," he said.

In Shanghai, price movements would depend to a large extent on the development of the Pudong district, Mr Lai said. "Prices for office space have stayed at high levels but they have stabilised in the past few months," he said. "The price slide will be big next year. The supply will increase as more property projects are completed."

Pudong's biggest disadvantage was that its infrastructure development was not keeping up with that of other districts. Rental prices for office space in Shanghai last month were reported to be at about \$50 a square foot a month. He said while prices for offices in the prime areas would drop 10 per cent next year, those in secondary areas had plunged 20 per cent since the beginning of this year.

Mr Lai said the situation was better in Beijing as the central government had a tighter grip over the market. In the past year, prices for office space in the main city streets—Chaoyang Road and Changan Road—went up by 10 per cent. Grade A office space in the centre of the city was selling at about \$2,173 to \$2,898 a square foot. Mr Lai said prices for residential properties had dropped 10 per cent since the beginning of this year. "Not many people like to buy properties in Beijing, they would rather rent," he said.

The biggest buyers of mainland properties were Hong Kong people, and Beijing was too far away. Beijing's office rents were in the range of \$1.45 to \$2.17 a square foot a day. Luxury residential rents ranged from \$1.08 to \$1.59 a square foot, while selling prices were \$1,811 to \$2,318 a square foot. Mr Lai said many investors preferred to acquire properties in Beijing for leasing out, as annual returns were 18 to 25 percent. Mr Lai believed the Pearl River delta region had a bigger market for buyers due to its proximity to Hong Kong, but sales might not be taking off. "There are many developments going on there but quality (of properties), which is quite

bad, is a problem and that can affect sales." He said the quality of property developments and property management there had to improve.

Zhongshan's problem was ranked the worst by Mr Lai. Not only was supply abundant, but projects totalling 32.3 million sq ft had been closed down. He said the situation in Dongguan was a little better. Zhongshan and Dongguan are in Guangdong Province.

Rural Firms Output Grows by 50 Percent

OW0811135994 Beijing XINHUA in English 1008
GMT 8 Nov 94

[FBIS Transcribed Text] Beijing, November 8 (XINHUA)—The total output generated by China's township enterprises reached 1,668.5 billion yuan during the first nine months of this year, an increase of about 52 percent over the same period of last year, with 20 million firms providing jobs for 120 million farmers.

Vice-Minister of Agriculture Hong Fuzeng said that 1,462.7 billion yuan worth of products of rural firms were marketed, representing an increase of 53 percent over the same period last year and 87.6 percent of the total output.

The vice-minister said that the rural firms, the fastest-growing sector in China, produced 177 billion yuan worth of products for export, up 66 percent from the same period of 1993.

By now, the number of rural joint ventures has reached a total of 35,000.

The total output generated by rural firms in China's central and western regions has reached 440 billion yuan, an increase of about 72 percent over the same period last year, while the growth rate for rural firms even in the booming coastal regions is 46 percent.

"Many problems are plaguing China's rural firms, such as a serious lack of capital, rising loan interests rates, higher taxes and levies and increasing costs of raw materials, energy and transportation," the vice-minister said.

Rural firms face fierce competition and challenges both at home and abroad, he said, but explained that the current reforms of state-owned enterprises and the further opening to the outside world will not only make them more competitive, but also allow more powerful overseas competitors to enter the Chinese market.

Compared with rural firms, both the state-owned enterprises and overseas competitors have advantages in technology, talented people, scale of production and capital.

The vice-minister urged rural firms to continue their reform of property rights and management, improvement of management and quality and reduction of environmental pollution. Rural firms should also promote service industries, he said.

East Region

Fujian Border Guards Conduct Patriotic Education

HK0811102494 Fuzhou Fujian People's Radio Network
in Mandarin 2300 GMT 3 Nov 94

[FBIS Translated Text] The provincial general brigade of border guards constantly includes patriotic education in its routine ideological and political work schedule, and this has aroused patriotic enthusiasm among officers and men, promoted troop building and the fulfillment of all border defense and security tasks.

In the past years, the general brigade constantly took patriotic education as a long-term basic task in the process of building spiritual civilization and increasing the fighting effectiveness of the troops under the new situation, and attached importance to it. After the adoption of the patriotic education program, the central group of the party committee in the general brigade took the lead in studying the document, accurately understood the spirit of the document, and worked out their own measures for implementing the program. It required leaders at all levels to go among the troops to organize officers and men to study and understand the central circular and to put the education program into practice. Leaders of party committees at all levels and party branches also actively studied the central documents.

In the course of patriotic education, all units always follow the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, and guide officers and men to establish correct ideals, beliefs, values, and outlook on life. The border defense bridges in Fuzhou and Ningde linked patriotic education with the struggle against smuggling and illegal emigration and the work of rectifying public order in rural areas, and also linked patriotic education with their routine troop management, anticorruption education, and their war preparation tasks. The border inspection centers of all ports boosted the morale and improved the image of the border guards through patriotic education. The general brigade also participated in the activities of education in national and provincial conditions organized by the provincial party committee's propaganda department and other institutions, and organized troops to visit the Memorial Hall of Lin Zexu and other monuments of national heroes. In Changle County they showed patriotic films for the troops, and organized a speech contest on the subject of loving the motherland. These activities aroused the national self-esteem and national self-confidence among the troops. They became more conscious in making contributions to defending and developing the motherland.

New Shanghai Deputy Secretary Appointed

HK0911055994 Hong Kong LIEN HO PAO in Chinese
9 Nov 94 p 1

[Report: "Xu Kuangdi Is Appointed Deputy Secretary of Shanghai Municipal CPC Committee"]

[FBIS Translated Text] It is learned that the CPC Central Organization Department has appointed Xu Kuangdi deputy secretary of the Shanghai Municipal CPC Committee, and the appointment order was issued by the General Office of the CPC Central Committee to Shanghai recently. This indicates that Xu Kuangdi may succeed Huang Ju as Shanghai mayor after the new session of the municipal people's congress early next year.

After Wu Bangguo was transferred to Beijing and Huang Ju became secretary of the Shanghai Municipal CPC Committee, Shanghai nominated three candidates for the office of mayor, that is, Chen Liangyu, incumbent deputy secretary of the municipal party committee, Xu Kuangdi, executive vice mayor, and Zhao Qizheng, another vice mayor.

After discussions, Zhao Qizheng was dropped from the candidate list because he was regarded as lacking work experience, good relations with other cadres, and courage. So only Chen Liangyu and Xu Kuangdi contended for the office.

It is said that Huang Ju was inclined to select Xu Kuangdi, who had cooperated with him very well. Xu is a metallurgical expert and former vice president of Shanghai Industrial University. He was appointed director of the municipal planning commission by Zhu Rongji in 1991. In the 1992 election for the new mayor, Xu refused to be nominated as a candidate although he was then rather popular. The opportunity was given to Huang Ju, and Xu stayed behind the scenes as Huang's aide. Huang was very grateful to him.

Shanghai Paper Stresses Upholding Central Authority

OW0811142194 Shanghai JIEFANG RIBAO in Chinese
31 Oct 94 pp 1, 2

[Article by Yang Linglong (2799 0407 7127): "Firmly Uphold the Authority of the Central Committee"]

[FBIS Translated Text] The "Decision" adopted by the Fourth Plenary Session of the 14th CPC Central Committee has explicitly put forth the question of upholding the authority of the Central Committee. This is a major issue for implementing democratic centralism.

1. Upholding the Authority of the Central Committee Is Where the Supreme Interests of the Whole Party and People of the Whole Country Lie

China is a developing country with a vast territory and huge population, and our party faces the arduous and complicated tasks of reform and construction. Therefore, it is of extreme importance to strengthen centralism on the basis of democracy to firmly uphold the authority of the Central Committee.

Only by upholding the Central Committee's authority can we enhance the party's cohesiveness and fighting

capabilities. The CPC is invincible is because it has not only its scientific theory of Marxism-Leninism-Mao Zedong Thought, but also its stringent, unified organization which can transform spiritual strength into material forces. The "four obey's"—individual party members obey party organizations, minority obeys majority, lower-level organizations obey high-level organizations, and all party organizations and members obey the National Party Congress and Central Committee—are the basic guiding principles for ensuring the party's stringent, unified organization. At the root of the "four obey's" is that the entire party membership must obey the Central Committee; and all party organizations and members must maintain political unity with the party Central Committee and must uphold its authority. This is the key to upholding the party's unity and unification; and herein lies the most fundamental and crucial manifestation of "centralism" in the system of democratic centralism. As Comrade Liu Shaoqi pointed out: "The party Central Committee's centralized, unified leadership is indispensable at anytime. We must strengthen the party Central Committee's centralized, unified leadership, especially in times of difficulty." "Our party is a combatant organization. Without a centralized, unified commander, it is impossible to win any victory in combat." (*Selected Works of Liu Shaoqi*, Volume 2, pages 386 and 407). If the Central Committee is devoid of authority, it is impossible for the entire party membership to unify the will and action, and to have cohesiveness and fighting capabilities. We must consciously obey the leadership of the Central Committee and uphold its authority at anytime and under all circumstances; the assertion of independence [nao du li xing 9527 3747 4539 1840] is absolutely prohibited.

Only by upholding the authority of the Central Committee can we guarantee national unification, unity among nationalities, and social stability. Without a party—which is armed with the theory of building socialism with Chinese characteristics; serves the people wholeheartedly; has complete ideological, political, and organizational solidarity; is capable of withstanding all kinds of trials and tribulations; and always stands in the forefront of our times—and, without the party Central Committee that has the authority, it will be impossible to unify ideas and concentrate the forces of tens of nationalities and hundreds of millions of people to build socialism in such a big country as China; the country will fall into pieces and go nowhere. This is not alarmist talk. In world modern history, there is a very eye-catching phenomenon: Due to the lack of strong cohesive power inside the leading body, some developing countries, while accelerating the pace of transformation toward modernization, repeatedly encountered political upheavals and went out of control politically, thus delaying their modernization process. It is precisely by drawing on the common historical lesson from various countries' modernization processes that in China, we must uphold the party's leadership and resolutely uphold the authority of the party Central Committee and State

Council. In the crucial historical period at the turn of this century, we are witnessing major changes in the global structure—the transition from the old to the new system at home—facing grave challenges of social contradictions triggered by friction among various interest relations and clashes of different value concepts. If the authority of the Central Committee is weakened and undermined, chaos may arise and our country may become a heap of loose sand. Therefore, to uphold the authority of the Central Committee means to uphold the overall interests of national unification, unity among nationalities, and social stability. Herein lies the basic condition for the Chinese nation's survival and development.

Only by upholding the authority of the Central Committee can the smooth process of reform, opening up, and the modernization drive be guaranteed; the common prosperity of people of all nationalities be achieved step by step; and socialist material and spiritual civilization can be promoted at the same time. The process of reform, opening up, and modernization is one of boosting social productive forces and continuously perfecting the socialist system; it is also one of revolutionary transformation of the people's social relations, life style, and way of thinking. Without a Central Committee which has the authority, it is obviously impossible to carry out reform, opening up, and the modernization drive, especially to smoothly effect the change from the traditional planned economy to a socialist market economy in a systematic, step-by-step, guided, and orderly manner. To carry out the modernization drive and gradually achieve the common prosperity of people of all nationalities in China, it is imperative to decide the road of construction that is suitable for the national condition and conforms with the demand for social development and the people's interests; to define the general principles and basic direction of developing and perfecting the socialist economic system and structure; to set the strategic goals, emphases, and measures, as well as a series of correct principles for the national economic construction; to work out overall plans for promoting a rational regional economic pattern and for solving problems related to imbalanced social a@; economic development; and to exercise macroeconomic regulation and control and to concentrate limited manpower and financial resources on carrying out major projects that cannot be done by relying on market forces alone under the premise of striking a basic balance between total supply and demand so as to more effectively take into account both efficiency and equity to promote the all-around development and progress of society. All of these can be properly solved only under the Central Committee's leadership and by concentrating the wisdom of the entire party membership. Socialist spiritual civilization is an important aspect of the socialist modernization drive. To promote the building of socialist spiritual civilization means to enable more and more members of society to become workers who have ideals, a sense of morality and discipline, and education through the development of

cultural undertakings and ideological education in socialism. This magnificent yet arduous undertaking to transform society and people can be smoothly carried out only by relying on the Central Committee's unified leadership and overall planning.

In a nutshell, upholding the authority of the Central Committee is where "the supreme interests of the whole party and the people of the whole country lie." All party comrades must consciously uphold the authority of the Central Committee, the central leading collective, and the core of this collective.

2. Tasks Laid Down by the Central Committee Must Be Carried Out Conscientiously by All Concerned

We have just discussed the necessity and importance of upholding the authority of the Central Committee. Then, how can we uphold the authority of the Central Committee? To do so, we must resolutely guarantee the smooth implementation of political decrees issued, and conscientiously carry out tasks laid down by the Central Committee.

The whole party must maintain unity with the Central Committee as far as major issues related to the party's basic line, general principles, general policy, and general objective, as well as to the overall situation are concerned. This is the concentrated manifestation and fundamental requirement for upholding the Central Committee's authority. The party's basic line, general principles, general policy, and general objective are the political foundations for the party [Central Committee] to lead the whole party and the people of the whole country to fight in unity during a given period and stage; and they also form the basis of the party's entire operation. In April 1948 when China's revolution was heading toward a great victory, Comrade Mao Zedong said earnestly: Under the current situation, all party comrades should firmly grasp the party's general line and should by no means "forget its general line and general policy. If we actually forget the party's general line and general policy, then we shall be blind, half-baked, muddle-headed revolutionaries, and when we carry out a specific line for work and a specific policy, we shall lose our bearings and vacillate first to the left and then to the right, and the work will suffer." (*Selected Works of Mao Zedong*, Volume 4, page 1316) At the beginning of reform and opening up in China, Comrade Deng Xiaoping emphasized with all seriousness that organizations at all levels and all party members must "identify themselves politically with the Central Committee" (*Selected Works of Deng Xiaoping* (1975-82), page 326); and must not be allowed not to carry out or to half-heartedly carry out the party's line, principles, and policies. "If a party allows its members to freely air opinions and act as they wish, it is of course impossible for that party to achieve unity in thinking, to have fighting capabilities, and to smoothly carry out tasks." "The Central Committee made mistakes which it had already been corrected itself long ago. Nobody should

use this as a pretext to resist the Central Committee's leadership. Only when the whole party strictly obeys the Central Committee can the party lead all its members and the people throughout the country to work hard to accomplish the gigantic task of modernization." (*Selected Works of Deng Xiaoping* (1975-82), page 325) Views different from the party's basic line, general principles, general policy, and general objective can be raised through established organizational procedures; and can also be discussed at appropriate meetings inside the party. However, the timing and form of discussion in newspapers should be decided by the Central Committee. Party newspapers must unconditionally publicize the party's stand, and must not be allowed to have their way and to openly publicize views contrary to the party's stand.

Party organizations at all levels and all party members must set good examples in observing the state constitution and laws. The Chinese Constitution and laws, which are formulated by the people under the leadership of the party Central Committee, reflect in a concentrated way the people's common aspirations and interests. They represent the party's line, principles, and policies in a finalized, codified form of written articles; and symbolize the organic unification of the party's stand with the people's will. Therefore, strictly observing and enforcing the Constitution and laws, and doing things according to the law is tantamount to upholding the authority of the Central Committee and obeying its leadership. The Constitution and laws, as the basic law of the state and the stage of conduct for social life, have the same binding force on all individual and social organizations. As the Constitution and laws are formulated by the people under the party's leadership, party members and party member-cadres should be the role models in observing them. The activities of all party organizations and members must not violate the provisions of the Constitution and laws, much more be above the Constitution and laws. Violation of the Constitution and laws will run counter to the aspiration of the people as the whole, and will damage the country led by the party and the dignity of the law.

All localities and departments should foster a strong awareness of overall interests, and should resolutely implement the Central Committee's resolutions and decisions in a supportive way in the light of realities. They should report to the Central Committee and request its instructions on major issues. The Central Committee's authority epitomizes the party's will, and is manifested in a concrete form in the Central Committee's resolutions and decisions. The Central Committee's correct resolutions and decisions—which are based on creative activities of organizations at all levels, of party members at large, and of the masses of people—crystallize the wisdom of the whole party; embody the integration between overall and local interests; and symbolize the vital interests of the masses—that is, the nation's overall long-range interests—while safeguarding people's legitimate rights and interests. All localities and

departments must keep the overall interests in mind and resolutely carry out and comply with the Central Committee's resolutions and decisions in the light of local realities. The history of the party and of the development of revolution and construction in China has proved that only when the cardinal principles and overall interests are taken into account is it possible to ensure unity and the concerted efforts of the whole nation to win total victory. Hence, departmentalism and local protectionism cannot only undermine the overall interests, but also lead to small gains at the expense of greater losses to the detriment of local interests. For this reason, where contradictions between local and overall interests exist, we must see to it that partial interests are subordinated to overall interests, local governments obey the central government, and the microeconomy serves macroeconomy. Meanwhile, we must strive to improve local conditions to support the overall interests. Localities are absolutely not allowed to have a means to circumvent the strictures of the Central Committee, or to willfully revise or resist its resolutions and decisions under the pretext of "special circumstances." It is impossible for the Central Committee to take into consideration the circumstances of all localities in formulating resolutions and decisions, which can only provide some guiding principles and general policies for solving prominent problems by and large. Hence, localities and departments must implement the Central Committee's resolutions and decisions in a steadfast and yet creative way. They must diligently study the Central Committee's resolutions and decisions, grasp their spiritual essence, and study and work out specific policies and measures for implementing the resolutions and decisions in light of the realities in each locality or department. Neither mechanical copying and transmitting the Central Committee's decisions, nor drawing up "indigenous policies" inconsistent with the Central Committee's guidelines is correct practice.

3. Bring Into Full Play the Initiative of Localities Under the Unified Leadership of the Central Committee

The emphasis on upholding the Central Committee authority to ensure smooth implementation of its political decrees' is by no means intended to retract the powers already delegated to localities and to return to the old system of overconcentration of powers, but to bring into full play the initiative of localities under the unified leadership of the Central Committee.

The CPC has always attached great importance to bringing into play the creativity and initiative of localities. As early as at the Sixth Plenary Session of the Sixth CPC Central Committee in October 1938, Comrade Mao Zedong pointed out: "In the present great struggle, the CPC demands that all its leading bodies and all its members and cadres should give the fullest expression to their initiative, which alone can ensure victory." (*Selected Works of Mao Zedong*, Volume 2, page 528) After becoming the nation's ruling party, the CPC attached even greater importance to this issue. In his

famous speech "On the Ten Major Relationships," Comrade Mao Zedong drew lessons from the Soviet experience, summed up China's experiences, and put forth the principles for correctly handling the relationship between central and local governments. He pointed out: "Our territory is so vast, our population so large, and the conditions so complex that it is far better to have initiative come from both the central and the local authorities than from one source alone." "If we are to promote socialist construction, we must bring the initiative of the local authorities into play. If we are to strengthen the central authorities, we must attend to the interests of the localities." "We want both unity and particularity. To build a powerful socialist country it is imperative to have a strong and unified central leadership and unified planning and discipline throughout the country; disruption of this indispensable unity is impermissible. At the same time, it is essential to bring the initiative of the local authorities into full play and let each locality enjoy the particularity suited to its local conditions." At a central work conference in preparation for the Third Plenary Session of the 11th CPC Central Committee in December 1978, Comrade Deng Xiaoping proposed granting more autonomy to localities and bringing into full play the initiative of four sectors—the state, localities, enterprises, and workers—which later became a major policy and important propelling force for China's reform and opening up in the new era.

To bring the initiative of localities into play essentially means that the Central Committee's guidelines must be implemented in light of the local realities of localities, and that the responsibilities to the local people must be integrated with those to the people throughout the country. As China is a big country with vast territory, localities differ greatly in their natural and social conditions and economic and cultural standards. Circumstances are different in the eastern coastal, central, and western regions. The South and the North, and the plains and mountainous areas have their own special characteristics. Therefore, localities must be apt at carrying out the Central Committee's policy decisions in light of local reality, and should never blindly transmit and implement them. They must heed the aspirations and demands of the masses and adopt measures suitable for local conditions in boldly exploring and trying out the best way to achieve modernization in each locality. Meanwhile, they must persist in the system of promptly reporting to and requesting instructions from the Central Committee on major issues. In the final analysis, building socialism with Chinese characteristics is a great practical innovation by hundreds of millions of Chinese people. Ways for reform come from the masses, and so do those for construction. In the process of reform, opening up, and modernization construction, grass-roots cadres and the masses have produced many major innovative measures. For example, the household contract responsibility system linking remuneration to output and the establishment of village and township enterprises were practices that came from grass-roots cadres

and the masses. Comrade Deng Xiaoping and the party Central Committee summarized these practices and advocated their popularization. In a broader sense, the success of reform and construction hinges upon the extent to which the initiative and creativity of grass-roots cadres and the masses are brought into play. At the beginning of the new era of reform and opening up, Comrade Deng Xiaoping pointed out: "Comrades in every factory, government office, school, shop, and production team as well as comrades in party committees at the central, provincial, prefectural, county, and commune levels—all should act on this principle, emancipate their minds, and use their heads in thinking questions through and taking action on them." (*Selected Works of Deng Xiaoping (1975-82)*, page 133) In the past 16 years, many localities and units, while implementing the Central Committee's general principle and policy for reform and opening up, have actively explored ways for development, which are suitable for local conditions, and have firmly stopped practices detrimental to the overall interests and the interests of other localities and units, thereby promoting rapid, healthy development in economic construction and all fields of endeavor as well as supporting reform, opening up, and modernization construction nationwide. Their experiences merit close attention and encouragement.

The Central Committee's unified leadership as well as the vigorous support from all central departments are indispensable for bringing into full play the initiative of localities. The overwhelming majority of central departments have precisely done so in the process of reform. However, a few departments, which hanker after their own power and interests, have held on to, or have retracted powers which should have been delegated to localities and enterprises. This is wrong. All central departments should correctly exercise their functions within the limits of the authority given by the Central Committee. In line with the requirements of reform, they should effectively change their functions, correctly handle the relationship between departmental and overall interests, and strengthen and improve macroeconomic regulation and control so as to better serve local people at the grass roots. By bringing into full play both central and local initiatives and giving expression to the initiative and creativity of the whole party and the people throughout the country, China's reform, opening up, and modernization construction will definitely advance more vigorously.

Mayor: Shanghai Must Learn From Other Countries

OW0811164494 Beijing XINHUA in English 1605
GMT 8 Nov 94

[FBIS Transcribed Text] Shanghai, November 8 (XINHUA)—Shanghai belongs to the world and it must learn from the successful experience of metropolitan cities in other countries, Mayor Huang Ju said here today.

Addressing the sixth "Shanghai Mayor-World Entrepreneurs Consultation Conference", which ended here today, Huang said that his city has benefited greatly from the conference.

During the conference, which focused on urban construction and development of personnel, the entrepreneurs gave valuable advice on a wide range of subjects, including the city's urban planning, environmental protection and transportation, he said.

He noted that Shanghai owes its great economic achievements in the 1990s to China's accelerated opening-up drive, to the city's ever-expanding co-operation with other parts of the world and to the precious help of entrepreneurs worldwide.

Conference Chairman Donald L. Staheli, who is also president of the Continental Grain Company of the U.S., said at today's closing ceremony that the 20-plus noted entrepreneurs from the developed world who attended the meeting have become fervent supporters of and participants in Shanghai's economic construction.

He said that the conference has made it possible for them to communicate directly with the mayor of the largest industrial city in China.

Shanghai Foreign Exchange Trade Boosts Business

OW0711122194 Beijing XINHUA in English 0858
GMT 7 Nov 94

[FBIS Transcribed Text] Shanghai, November 7 (XINHUA)—The foreign exchange rate has basically remained stable and the renminbi (RMB) revalued to a certain extent over the past seven months since the Shanghai foreign exchange trade system went into operation.

According to the latest statistics, the exchange rate of renminbi to the dollar was 8.5227:1 on November 4, up from 8.6967 yuan in April 4 this year when the system opened to service.

By the end of last month, the system had concluded transactions totalling 28.1 billion U.S. dollars and 12.6 billion Hong Kong dollars (about 1.6 billion U.S. dollars).

It has connected with 19 cities via computers and has 287 members. Included were 161 commercial banks, 38 non-banking financial organizations and 88 foreign-funded banking institutions.

An official of the system said the system has played an important role in unifying the prices of foreign exchange market; ensuring the normal business of settlement and the sales of foreign exchanges between banks and enterprises. It has also helped the central bank in its macroeconomic control, speed up the turnover of current capital and safeguard the legitimate rights and interests of the foreign exchange market and business people.

Shanghai Mayor Promotes 'High-Quality Personnel'

OW0711165794 Beijing XINHUA in English 1441
GMT 7 Nov 94

[FBIS Transcribed Text] Shanghai, November 7 (XINHUA)—Mayor Huang Ju vowed here today to turn this, China's largest metropolis, into a center of high-quality personnel.

Addressing a consultation conference of mayors and entrepreneurs launched here today, Huang said that today's Shanghai demands an unprecedentedly large number of personnel of various types, whose quality is expected to be better than ever.

Shanghai must train more professional people for the city's economic, social and technical progress, and bring up a large number of internationally first-class scientific and technical personnel able to make the city into an international economic center, the mayor stressed.

He noted that a more rational, multi-layer personnel structure must be established in the city.

To that end, Shanghai will strive to improve its personnel training and employment mechanism, by establishing an open and standardized personnel system, Huang said.

He explained that his city will reform the current system governing the interflow of personnel so as to promote cross-regional and international personnel exchanges.

Shanghai will also implement a "cross-century personnel development project" to train a large number of scientific pace-setters as well as other professionals needed by the city's pillar industries, Huang added.

Good Trend of Industrial Development in Shanghai

HK0811153794 Beijing ZHONGGUO XINWEN SHE
in English 1453 GMT 8 Nov 94

[FBIS Transcribed Text] Shanghai, November 8 (CNS)—Jiang Yiren, vice mayor of Shanghai, expressed that there had been a good trend of industrial development in the city this year. However, he also said that problems of delay of debt payment among enterprises and their increasing product stockpile should arouse attention to the city authority.

At the meeting on industrial production in the municipality held today, Xu Zhiyi, director of the municipal Economic and Trade Commission, briefed attendants on the situation of completion of various economic indicators in the city. He said that Shanghai between January and October this year earned a total industrial output value of RMB [renminbi] 272.9 billion, 37.5 percent up over the same period of last year and sales value up 37 percent. Ratio of production to sale was 97 percent.

Xu also said that fifty varieties of industrial products each with an output value of over RMB 100 million and six backbone industries of car, communications, equipment for electricity generating stations, petroleum and chemical industry, steel and iron industry and household electrical appliances have continued their strong profit-making capacity. In the first nine months of this year, output value of the above-mentioned six backbone industries amounted to 30 percent of the total output value in the city, profits they made was over 60 percent of the city's total industrial output value.

The vice mayor held that the above-mentioned two problems facing the city should not be ignored. He revealed that the amount of debts which should be collected among enterprises in the city had increased by 78 percent compared with the same period of last year while their product stockpile grew from 10 percent to over 16 percent. Therefore, the municipality will order its enterprises to limit their production, reduce stockpile and raise the rate of withdrawing their capital in several months to come.

Rural Industry Developing Rapidly in Shandong

OW0811025094 Beijing XINHUA in English 0238
GMT 8 Nov 94

[FBIS Transcribed Text] Jinan, November 8 (XINHUA)—Rural industry has been developing rapidly over the past 15 years in east China's Shandong Province and now holds up half of the province's economy.

Information from the Provincial Bureau of Rural Enterprises shows that rural enterprises in the province have turned in a total of 33.37 billion yuan in taxes since 1980, an average yearly increase of 55 percent.

More than 13,000 rural enterprises are now authorized to be engaged in foreign trade, exporting 2,000 kinds of locally-produced products to 100 countries and regions. Last year, earnings from exports of local rural enterprises made up 40 percent of the province's total.

Rural enterprises in the province have started over 4,300 foreign-funded enterprises, and absorbed 2.8 billion U.S. dollars of foreign investment.

The quick development of rural industry has injected vitality in agriculture in the province. In the past 15 years, rural enterprises have contributed 5.27 billion yuan to the development of farming in Shandong, greatly surpassing state input in agriculture for the same period of time, according to local officials.

Rural enterprises have absorbed 13.5 million rural laborers, accounting for 36 percent of the total rural workforce. These enterprises have also contributed some 12 billion yuan to support construction of social and public services and the building of small towns and cities.

Rural enterprises have kept their growth momentum despite of the many difficulties in the process of the overall economic development of the province since the beginning of this year.

In the first half of this year, the province achieved 390 billion yuan in total industrial output value, of which, the output value of rural enterprises made up 71 percent.

Families Hook Up to Shanghai Cable TV Network

OW0811141994 Beijing XINHUA in English 1405
GMT 8 Nov 94

[FBIS Transcribed Text] Shanghai, November 8 (XINHUA)—One million families in this, the largest city in China, are now able to watch cable TV programs, according to the municipal government.

The number is expected to reach 1.2 million by the end of this year, up from 13 in December 1992, when the Shanghai Cable TV Station was first set up.

The station has become one of the ten-largest cable TV networks in the world.

It transmits programs through 12 channels, four of which air 72 hours of its own programs daily, including the special sports and music TV program channels, the first of their kind in the country.

The rapid cable TV development in the metropolis has drawn the attention of overseas counterparts as well as TV equipment makers from more than 40 overseas countries and regions, including the United States, Japan, Germany and Australia.

Leading TV news services, including the Cable News Network of the United States, NHK of Japan and the Australian Broadcasting Corporation, have come to the city for TV program exchanges and TV equipment trade.

Central-South Region

Guangdong Reminds Residents of Exit Permit Rules

HK0811031794 Beijing ZHONGGUO XINWEN SHE
in Chinese 0542 GMT 6 Oct 94

[By correspondent He Weiho (0149 4850 0735): "Guangdong Provincial Public Security Authorities Remind Citizens in the Province That They Should Apply For Exit Permits Through Proper Channels"]

[FBIS Translated Text] Guangzhou, 6 Oct (ZHONGGUO XINWEN SHE)—The Guangdong Province Public Security Bureau recently reminded citizens via the mass media that they should apply for exit permits through proper channels in order not to be cheated or suffer any unnecessary losses.

It has been reported that more Guangdong citizens are going abroad for private purposes. In the first half of this year, the number of people who left the country to visit relatives, do business, or go sightseeing was 468,000, an increase of 32 percent over the same period last year.

However, in recent days, taking advantage of a few people's urgent desire to leave the country, some unscrupulous persons and illegitimate travel agencies, enterprises, and institutions have sought exorbitant profits in the name of applying for exit permits (certificates) for them. They give enormous publicity through advertisements in newspapers published in Hong Kong, Macao, and the mainland, through printed materials, and via notices posted on doors. The applicants are charged high "service fees," which not only costs the public unnecessary losses but also seriously violates the stipulations of the "PRC Law on Management of Citizens' Exit and Entry" and blemishes the prestige of the exit and entry administration departments of public security bureaus in performing their duty of examining, approving, and issuing permits (certificates)....

In view of this, a spokesman for the Guangdong Provincial Public Security Department stressed the other day: Together with the departments concerned, the Guangdong Provincial Public Security organs are making further efforts to strengthen the management of citizens leaving the country on private business, to screen and reorganize the order of overseas travel services in the province, and to investigate and ban unauthorized travel agencies, enterprises, institutions, and commission offices which operate overseas travel service illegally.

Moreover, the spokesman reminded the citizens that no other organs except the Ministry of Public Security or the ministry-authorized local public security organs have the right to issue Chinese citizens with exit permits (certificates) for private purposes. Any Chinese citizen who needs to go abroad for private purposes should, in accordance with the laws and relevant regulations, make an application to the exit and entry administration department of the city or county public security bureau where his residence is registered. A local public security organ does not issue exit permit (certificate) to anyone who does not hold a local residence registration card. Citizens who need to join a tour to Hong Kong, Macao, or to foreign countries can make application and registration at travel agencies which are authorized by the provincial government and provincial tourism bureau to handle travel services to Hong Kong, Macao, and foreign countries. The exit and entry administration department of the local public security organs will certainly grant travel permits (passports) so long as the applicants have the necessary documents and are eligible.

Up to now, only the Guangdong Overseas Travel Company and its agencies and the Guangdong China Travel Service and its agencies have had the right to deal in overseas tours. Never has the exit and entry administration departments of the Guangdong Public Security Bureau entrusted second- or third-class travel agencies like the Guangdong Zhujiang Travel Agency, the Huanshi Road East Travel Agency, or other enterprises and institutions to handle the exit permits (certificates) business and the actions of these agencies are illegal. The Guangdong Public Security Bureau Exit and Entry

Department will definitely refuse to issue any exit travel permits (certificates) handled by unapproved units which deal in travel services illegally. Moreover, it will work together with the tourism and the industrial and commercial administration departments to check and ban them all.

The spokesman also claimed that in respect of the charges for exit permits (certificates) for citizens leaving the country for private purposes, the exit and entry administration departments of the public security bureaus at all levels collect charges in strict accordance with fee collection items and standards approved by the State Council, the provincial government, and the provincial pricing department and are subject to public supervision. Other irregularities such as the self-determination of fee collection items and standards are to be investigated and punished accordingly.

Guangzhou Provides More Housing to Residents

OW0911025094 Beijing XINHUA in English 0242
GMT 9 Nov 94

[FBIS Transcribed Text] Guangzhou, November 9 (XINHUA)—Though probably they have more pocket money than people elsewhere in China, many residents of Guangzhou, capital of south China's prosperous Guangdong Province, still do not have comfortable houses to live in, due to a long-standing housing shortage in the city.

This situation is now changing at an accelerated rate, thanks to persistent municipal efforts.

In 1986, 11,642 urban families averaged two square meters per person in housing space. To deal with the problem, a special group was set up by the municipal government that year.

A series of measures have been worked out to speed up housing construction, including setting construction quotas, reducing taxes and allowing exemptions, and offering priority in land requisition and water and electricity supply to constructors.

The government has launched a multi-channel fund raising campaign to solve the crucial issue of investment. House buyers have also been granted flexible policies such as paying by installments.

By early 1992, all the per capita housing space rose to 7.2 square meters.

Since 1991, efforts have been made to cope with the new households demand for housing, whose housing space is less than five square meters per person. Additional housing units available have averaged 8,000 annually for these families, with the figures for 1993 and 1994 exceeding 10,000.

Guangxi Gives Jan-Sep Economic Statistics

HK0811031894 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 21 Oct 94

[FBIS Translated Text] On the morning of 21 October, the Guangxi Regional Statistics Bureau held a news

briefing to announce Guangxi's economic operations from January to September this year.

According to statistics, Guangxi's GDP amounted to 64.4 billion yuan from January to September, an increase of 12.4 percent over the same period last year as calculated on comparable prices. The general trend of the regional economic operations from January to September was as follows:

1. Industrial production continued to grow, with a fast recovery of production and marketing rates. By the end of September, the region's gross industrial output value at the township level and above amounted to 63.367 billion yuan, an increase of 16.5 percent over the same period last year.

2. The rural economy grew by a little. From January to September, the gross output value of agriculture, forestry, animal husbandry, and fishery amounted to 27.4 billion yuan, an increase of 4.5 percent over the same period of last year as calculated on comparable prices. Due to floods and waterlogging, grain output, which is the main agricultural product, was reduced. The output of oil-bearing crops and tobacco also dropped. Township and town enterprises maintained a rapid growth. From January to September, the gross output value of township and town enterprises throughout Guangxi amounted to 85.76 billion yuan, up by 1.07 times over the same period of last year; their profits and taxes totaled 6.68 billion yuan, up by 83.1 percent over the same period of last year.

3. The fulfillment rate of investment in fixed assets rose and the focal point of investment was prominent. Investment in energy and raw materials amounted to 2.66 billion yuan, an increase of 11.3 percent over the same period of last year; investment in transportation and telecommunications amounted to 1.824 billion yuan, an increase of 49.6 percent.

4. The domestic market turned from prosperous to stable and foreign trade grew. From January to September, the region's total retail sales volume in consumer goods amounted to 26.14 billion yuan, up 24.9 percent over the same period last year and an actual growth of 2.3 percent allowing for price hikes; foreign trade and exports amounted to \$1.101 billion, an increase of 20 percent over the same period last year.

5. Revenue and bank loans grew steadily. From January to September, the region's local revenue amounted to 3.748 billion yuan, an increase of 26.7 percent over the same period last year.

6. The income of urban and rural residents rose steadily. According to sample surveys in cities and rural areas, from January to September, the income of urban residents averaged 2,636 yuan, up 35.8 percent over the same period last year, an actual increase of 9.5 percent allowing for price hikes; the per capita cash income of

the peasants was 815 yuan, up by 25 percent over the same period of last year, an actual growth of 4.2 percent allowing for price hikes.

The spokesman pointed out: The main problems in Guangxi's economic operation are:

1. Commodity prices are steep. Steep commodity prices in the region have continued to increase since the beginning of this year. From January to September, the prices of consumer goods increased by 24 percent over the same period last year; retail sales prices of commodities rose by 22.1 percent.
2. There are serious fund shortages.
3. Many enterprises are suffering from losses and the percentage of loss-making enterprises is increasing.
4. The effects of the flooding still remain serious.

The spokesman stressed: To fulfill the annual economic objective, there is a need to do a good job in production, in providing disaster relief, in controlling prices, in controlling inflation, in making up deficits and increasing surpluses, in widening the avenues for funds, and in coordinating and improving all reforms.

Hubei Sends Grain, Cotton Teams To Ensure Supply

HK0911064294 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 2 Nov 94

[FBIS Translated Text] The provincial people's government on 31 October dispatched a total of six work teams to inspect the province's grain and cotton purchase situation.

The six work teams will supervise, examine, and guide various local areas with regard to grain and cotton purchase work with a view to speeding up this work and guaranteeing the state sufficient grain and cotton resources.

According to statistics released by the provincial departments concerned, by 30 October, the province had purchased a total of 218,500 tons of cotton, up by 2,500 tons over the same period of last year; and purchased and put in storage a total of 3.94 billion kilograms of grain, up by 104 million kilograms over the same period of last year.

To comprehensively implement to the letter this year's grain and cotton purchase policies promulgated by the State Council and the provincial people's government, the provincial people's government has now organized and sent to the province's main grain and cotton production areas six inspection work teams composed of personnel transferred from the provincial planning commission, finance office, industry and commerce bureau, grain bureau, standardization bureau, supply and marketing cooperatives, and other units. The six inspection teams are set to publicize and help implement state and

provincial policies, urge various local areas to improve grain and cotton purchase market management, inquire of grassroots levels about grain and cotton pricing practices, inspect local grain and cotton allocation and transfer in accordance with relevant policies, inspect local farm goods and materials markets screening and rectification situation, including that for chemical fertilizer markets, and make every possible endeavor to ensure that the province will entirely fulfill this year's state-assigned grain and cotton purchase quotas.

North Region

Beijing Head Urges Nationality University Support

SK0811075094 Beijing BEIJING RIBAO in Chinese 2 Nov 94 p 1

[By reporters Ding Yatao (0002 0068 7290) and Sun Yushan (1327 3768 1472): "Successfully Run the Central University of Nationalities With the Support of All Fields"]

[FBIS Translated Text] On the afternoon of 1 November, at the on-the-spot office meeting of the Central University of Nationalities, Chen Xitong, secretary of the Beijing Municipal Party Committee, and Li Qiyuan, mayor of the municipality, expressed that the Central University of Nationalities is the highest seat of learning in China's nationalities education and therefore Beijing should try its best to give support and assistance to it. Ismail Amat, minister of the State Nationalities Affairs Commission, and Liu Jimin, deputy secretary general of the State Council, expressed that all pertinent state departments should make concerted efforts to help the Central University of Nationalities improve operational conditions and run itself well.

At the meeting, Ha Jingxiong, president of the Central University of Nationalities, made a report on the general situation of the university and on the problems in need of solution. With nationalities disciplines as its characteristics, the Central University of Nationalities is a comprehensive university embracing the disciplines of liberal arts, science, arts, management, and economics. Also, it is a key national university. Over the past 40 years or so since it was founded, this university has trained more than 30,000 graduates of various categories, and these graduates have become a backbone force to develop political, economic, cultural and various other undertakings in nationalities areas and have made great contributions to safeguarding the unification of the motherland, to promoting the unity and progress of nationalities, and to gearing up the socialist construction in nationalities areas. In the development process, however, the university has also encountered difficulties, and some improvements should be made for the operation of the university and for the livelihood of students.

Li Qiyuan said in his speech: Over the past 40 years or so, the Central University of Nationalities has played an

important role in promoting national unity, in developing nationalities areas, and in maintaining political stability, thus making great contributions to China's nationalities undertakings. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core, various undertakings in nationalities areas will surely develop greatly. What is important is that professional talents are needed. The Central University of Nationalities is an important base for training professional talents of minority nationalities. Thus, Beijing Municipality should try its best to give support and help to the university. Li Qiyang set forth specific opinions on how to help the university in conducting patriotic and socialist education and in showing concern for the livelihood of students.

Liu Jimin, deputy secretary general of the State Council, Guo Fuchang, full-time member of the State Education Commission, and responsible persons of the State Nationalities Affairs Commission, the State Planning Commission, and the Ministry of Finance expressed at the meeting that they will make concerted efforts to gradually build the university and to further run the university well.

Chen Xitong said in his speech: The Central University of Nationalities has trained many professional talents over the past several decades and has achieved great results in safeguarding the unification of the motherland, in promoting nationalities unity, and in maintaining the stability of the capital. The Central University of Nationalities has enrolled students of 56 nationalities in China, is the highest seat of learning in China's nationalities education, and occupies a very important position. Hence, all fields should do all they can to support and help the university improve its operational conditions. When viewed from the economic situation, the concerted efforts of various fields are needed, with the state support as the mainstay. In addition to the support of local government, various fields should give some financial assistance to this university. Only with the assistance of all fields can we resolve problems for this university gradually. Along with the development of economic construction, some preferential policies should be provided for nationalities education, and some measures should be mapped out through conscientious studies to solve problems for the university gradually. By so doing, the problems of the university will certainly be resolved. We are full of confidence.

Ismail Amat said in his speech: Some progress has been made in developing the Central University of Nationalities thanks to the concern and support of pertinent central departments as well as Beijing Municipality. This means support to the unity and progress of all nationalities in our country. The State Nationalities Affairs Commission will certainly make great efforts to successfully run the university by improving the operational conditions and by improving the educational and

teaching levels in order to rapidly train more professional talents for the development of nationalities undertakings and promote the development of all undertakings in various nationalities areas.

Attending the on-the-spot office meeting were Li Zhi-jian, Wang Baosen, Chen Dabai, and Fan Yuanmou.

Beijing Marks 2000th Issue of Periodical

SK0911080094 Beijing BEIJING RIBAO in Chinese 1 Nov 94 p 1

[By reporter Ding Yatao (0002 0068 7290) and Sun Yushan (1327 3768 1472): "Information Must Be Quick and Accurate and Reflect Important Issues, and Leaders at all Levels Must Pay Attention To Applying Information To Guiding and Promoting Their Work"]

[FBIS Translated Excerpt] At the forum held in the afternoon of 31 October to mark the publication of the 2000th issue of the periodical YESTERDAY'S MARKET SITUATION, Chen Xitong, secretary of the municipal party committee, and Mayor Li Qiyang stressed: In information work, we must strive to be quick and accurate in reflecting important issues. Leaders at all levels should pay attention to it and apply information to guiding and promoting their work in a better manner.

YESTERDAY'S MARKET SITUATION is initiated by the municipal government in line with Comrade Chen Xitong's proposal seven years ago. Since its first publication in November 1987, 2,000 issues have been published, and more than 40,000 items of information have been carried in it. This periodical has more rapidly and accurately reflected various aspects of important information on Beijing, and has played a positive role in helping leaders make policy decisions. [passage omitted]

Chen Xitong addressed the forum. He said: Seven years have passed since the publication of YESTERDAY'S MARKET SITUATION. This periodical has provided leading comrades with an uninterrupted flow of news to read throughout each workday. This is really not a easy matter. Leaders must have a thorough grasp of the situation, and in addition to conducting investigation and study personally, they also need lots of information. YESTERDAY'S MARKET SITUATION allows leaders to get a grasp of the major situation of the whole municipality in the early morning of every day. Together with letters from the people and the mayor's telephone calls, they can promptly reflect the opinions and demands of the masses of people, help leaders grasp and resolve the overall or partial work, and play a positive role. Their contributions must not be neglected.

Chen Xitong said: In doing information work, comrades compiling the "Yesterday's Market Situation" have worked diligently and willingly, never been upset by criticism, strived to make improvements unceasingly, selected the news items carefully, and strived to be quick and accurate in reflecting the important issues. This spirit of "making a wedding dress for another person"

and doing things for the well-being of the people throughout the municipality is a manifestation of the party spirit and the ideology of serving the people, which is worth advocating. He said: YESTERDAY'S MARKET SITUATION should learn from the strong points of the "Beijing Information" run by the municipal party committee so as to offset weaknesses and to make improvements. It is hoped that comrades working for this periodical will continue to work hard and exert efforts in various aspects such as theoretical accomplishment, policy level, writing expression, and breadth of knowledge. Leading comrades should pay attention to the uses of YESTERDAY'S MARKET SITUATION, read and give conscientious criticism, give better play to its role, and contribute to realizing the objective of attaining a level of moderate prosperity in the municipality three years ahead of schedule.

Tie Ying, vice chairman of the municipal people's congress standing committee, said: YESTERDAY'S MARKET SITUATION has promptly and accurately reflected the major things happened in Beijing and played a great role in helping leaders make scientific policy decisions. Over the past seven years, YESTERDAY'S MARKET SITUATION has formed a set of effective systems, norms, and information networks. It is necessary to consolidate the achievements of this periodical, continue to develop it, and run it more successfully.

Li Qiyan gave a speech. He affirmed that YESTERDAY'S MARKET SITUATION has played a good role over the past seven years, provided lots of timely and comprehensive information for leaders, helped leaders understand the overall situation, broaden their thinking, and avoided bureaucracy, played a role as the scientific basis for guiding the work of the whole municipality, and promoted the progress of work in one aspect if not the overall work. [passage omitted]

Wang Jiayan, deputy director of the General Office of the municipal government, gave a briefing on the publication of the 2000th issue of YESTERDAY'S MARKET SITUATION. [passage omitted]

Municipal leaders, including Duan Bingren, Lu Yucheng, Fan Yuanmou, Yi Xiquan, Zheng Yijun, Zang Hongge, attended the forum.

Beijing To Build More Houses

OW0411125494 Beijing XINHUA in English 1027
GMT 4 Nov 94

[FBIS Transcribed Text] Beijing, November 4 (XINHUA)—Beijing is to build more houses in the coming three years in accordance with the city's policy to achieve a well-off life for its ten million residents by 1997.

According to the city's government officials, about 23 million sq m of housing will be completed by 1997.

The rebuilding of one million sq m of dilapidated houses every year so as to eliminate such eyesores by the year 2000 is also included in the city's construction plan.

At present, there are 56,000 families living in an average of below four sq m each in the city. Three million sq m of housing will be needed to accommodate these people.

By the end of September this year over 120 new apartment blocks with a total of over ten million sq m, were under construction.

Some 2.17 billion yuan has already been spent for rebuilding 3.8 million sq m of dilapidated houses in 66 old blocks in the city.

Hebei Holds Conference on Smuggling Crackdown

SK0811080094 Shijiazhuang HEBEI RIBAO in
Chinese 26 Oct 94 p 2

[By reporter Bai Zhihong (4101 1807 1347): "Take Joint Actions and Do a Good Job in Comprehensive Management of Public Security"]

[FBIS Translated Text] The provincial work conference on sternly cracking down on smuggling was held in Shijiazhuang city from 24 to 25 October. Unified plans for conducting joint operations and launching special struggles for comprehensively improving public security were worked out at the conference. Xu Yongyue, deputy secretary of the provincial party committee, and Vice Governor Guo Hongqi, respectively addressed the conference.

Xu Yongyue said: Since the convocation of last year's work conference on cracking down on smuggling, our province has achieved major achievements in struggling against smuggling; however, we should not overestimate the achievements. Judging from the situations we have in hand, the motor vehicle and cigarette smuggling activities, which suffered the hardest during the previous stage of special struggle, have begun to pick up again. Smuggling activities have become increasingly institutionalized and specialized and the techniques have become more tricky and covert. Our province's situation in struggling against smuggling has remained very severe.

He pointed out: Smuggling is not only an economic crime but also a political problem, directly endangering social stability and the consolidation of state political power. There is no country in the world that has established its economic system and realized its economic take-off by relying on smuggling. Smuggling can only shake the market, disrupt order, hinder development, sabotage the normal foreign trade and investment environment, corrode the ranks of cadres, and corrupt social values.

Xu Yongyue stressed: Taking joint actions and conducting special struggle are the effective measures for preventing the reappearance of smuggling. All departments, cities and prefectures, and all departments and

regions should establish a concept of the overall situation among themselves, coordinate with one another, exchange situations with one another, and take coordinated and joint actions. It is necessary to investigate and handle typical major and appalling smuggling cases in line with the law, and in particular, punish in line with the law a number of persons in charge of party and government leading organs, judicial departments, administrative and law-enforcing departments, and economic management departments who have participated in smuggling, and persons who should be directly blamed. We should establish the responsibility system, conduct comprehensive management of public security, and share the tasks with all levels and departments. If problems crop up in a locality, we should ascertain the responsibility of the government there; and if problems crop up in a certain field, we should ascertain the responsibility of the department in charge.

Report: Effects of Reform on Nomadic Mongolians

*OW0911020994 Beijing XINHUA in English 0142
GMT 9 Nov 94*

[FBIS Transcribed Text] Hohhot, November 7 (XINHUA)—Ulgi, a leading electric power expert in Inner Mongolia, was overjoyed when he was honored "accomplished entrepreneur of minority nationalities" by the central government early this year.

He took the honor not only as his own but also as that of the entire Mongolian nationality.

Ulgi, 54, a native of Horqin prairie in northern China's Inner Mongolian Autonomous Region, has been general manager of the Inner Mongolia Electric Power Corporation. As a boss of the badly needed electric power, he has helped generate more than self-sufficient electricity in Inner Mongolia and sell some to Beijing, the Chinese capital.

Like Ulgi, Xu Gorigan, 53, is also one of the lucky guys in Inner Mongolia, who has established himself as the "father of the test-tube goat".

As the first Ph.d. among the people of Mongolian nationality, Professor Xu pioneered world's test-tube goat while he was studying in Japan.

Ulgi and Xu Gorigan are just a few examples.

With reform and opening to the outside world extending across the country, more local people start to break into new jobs that were never imagined by local Mongolians.

As one of the most outstanding fashion show models, Ulan Toya is the leader of a fashion model team of a large tourist hotel in Hohhot, capital of the Inner Mongolian Autonomous Region.

In 1990, Ulan Toya was awarded top prize in an international fashion competition in Ulaanbaatar, with contestants from many countries in Asia and Eastern Europe.

"It's not only a job to promote national costumes to the outside world, but a chance to be involved in the contemporary world," said Ulan Toya, whose husband divorced her as he could not tolerate her life as a model.

"But I am very proud of my job," she said, adding nowadays many girls want to learn the art from her.

Cagan Lianhua is another successful woman in east Inner Mongolia. She is a boss of a private business. In 1982, she set up the first local private dairy plant.

Influenced by her successful story, local Mongolians started to turn out typical local cuisines such as milk tea, parched rice and cream foFmgny parts of the country as well as the international market.

A survey by local education department shows that some 95 percent of the school-age children in Inner Mongolia are at school, and 70,000 preschool children attend kindergartens.

Nuo Min, a herdsman in the Hulun Buir grassland, has a tutor to help with her daughter's electronic dulcimer.

"I wish my daughter would develop in an all-around way," said Nuo Min, who has been always proud of her husband's younger brother, who was studying in a university.

In the prairie of the Inner Mongolia, it is not uncommon for a herdsman family to have two or three university students.

According to a random survey by the regional government, most Mongolians prefer to have one or two children though they can have more according to the state population policy.

Inner Mongolia Autonomous Region, official census shows, has a population of 3.4 million, an increase from nearly one million in 1949. And the total Mongolian population is 4.85 million if the Mongolian population in other parts of the country is included.

The overall educational quality of Mongolians ranks third among the 56 nationalities, next to only Koreans and Manchus, or above the average of the majority Hans, said Professor Zhang Tianlu, who has been known as the founder of China's ethnic demography.

Inner Mongolia Secretary at CPC Plenum

SK0811054094 Hohhot NEIMENGGU RIBAO in Chinese 24 Oct 94 pp 1, 2

[Speech by Liu Mingzu, secretary of the Inner Mongolia Autonomous Regional CPC Committee, at the 10th enlarged plenary session of the fifth regional party committee on 18 October: "Comprehensively Implement the Guidelines of the Fourth Plenary Session and Promote Inner Mongolia's Party Building to a New Level"]

[FBIS Translated Text] Comrades:

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The major item on the agenda of this (enlarged) plenary session is to study ways to implement the guidelines of the fourth plenary session of the 14th party Central Committee and, based on the reality of Inner Mongolia, to establish specific opinions on implementing the "decision" of the fourth plenary session of the party Central Committee. In the two days before this plenary session, we have heard the guidelines of the fourth plenary session of the party Central Committee, have thoroughly studied and discussed them, and have reached a profound understanding of the important significance and basic spirit of the fourth plenary session of the party Central Committee. Following this, we studied the opinions on implementing the "decision" of the fourth plenary session of the 14th party Central Committee. This morning, we again heard the introduction of the experiences of eight units. Based on what we have discussed at this session, I will speak on several opinions on how to successfully implement the guidelines of the fourth plenary session of the party Central Committee.

1. Unify Thinking and Understanding, and Enhance the Confidence as Well as the Sense of Responsibility and Urgency Toward the Endeavor of Making Party Building a Success in the New Situation

People both inside and outside the party are paying great attention to party building, and have all sorts of understandings and discussions concerning it. Some overemphasized the problems within the party, and thus lacked confidence in making party building a success. Others paid too much attention to achievements, and thus underestimated the existing problems and lacked the sense of urgency toward party building. There were also some comrades who did not attach adequate importance to and show adequate concern for party building, and thus lacked the sense of responsibility due Communist Party members and leading cadres. In light of such a situation, an important task for party organizations at all levels is to study the guidelines of the fourth plenary session of the party Central Committee based on their actual conditions, unify people's thinking and understanding in line with the guidelines, and enhance the confidence and sense of responsibility and urgency toward the endeavor of making party building a success.

A. We should clearly understand the situation with which party building is faced and, from a historical perspective, should enhance the sense of responsibility for making party building a success. The present world is undergoing historical great change, the struggles between various political forces are complicated, and the tests of overall national strength based on the economy and science and technology have become increasingly intense. We are encountering an excellent opportunity for development, and also a severe challenge. It is a severe test of our party whether we can seize the opportunity to develop ourselves and win a fairly active position, and whether we can gradually improve and develop the socialist system, achieve modernization, and

always be in an invincible position amid the great change brought about by reform, opening up, and the modernization drive.

China's reform, opening up, and modernization drive have entered a new stage. The reform aimed at establishing the socialist market economy system has been comprehensively begun and continuously deepened. The party Central Committee has put forward the two major tasks of establishing an initial socialist market economy system and achieving a moderately prosperous life by the end of this century. The Inner Mongolia Autonomous Region is an underdeveloped area in the country. It has achieved rapid development and historical progress in the economy and other undertakings since reform and opening up began. However, due to historical, geographical, and natural reasons, its development is still less than the national average, and has fallen farther behind developed areas. Underdeveloped commodity economies throughout our history have led to a poor sense of commodity on the part of people, our economic structure being characterized by small proportions of the nonstate-owned economy, and state-owned enterprises being plagued by poor management and heavy historical burdens. As a result, we face more difficulties and problems than other areas in the country in the process of developing the socialist market economy.

Whether our region can initially build a socialist market economic system, attain a level of moderate prosperity, realize Comrade Xiaoping's ardent hopes, and enter the front ranks in future development by the end of this century, all hinges on whether party organizations in Inner Mongolia can act in line with the line, principles, and policies of the party Central Committee; can unite with and lead the 22 million people of various nationalities across the region; and can deepen reform, expand opening up, engage in arduous struggle, overcome difficulties, and push economic construction and all fields of work to new heights. This is a severe test for Inner Mongolia's party organizations. Only by successfully building our party organizations at all levels, and by giving full play to the enthusiasm, creativity, and vanguard and exemplary role of all party members, can we unite with and lead the people of various nationalities to realize our objective. This is a historical responsibility of party organizations and all party members in Inner Mongolia. Our party members, particularly party-member leading cadres, should clearly define the responsibilities they should shoulder and enhance the sense of responsibility in party building.

B. We should fully affirm the tremendous achievements in party building since reform and opening up, should recognize our party's essence and the main trend, and should strengthen confidence and determination in making party building a success. The "decision" of the fourth plenary session has comprehensively summarized the tremendous achievements in party building made since the third plenary session of the 11th CPC Central

Committee in five aspects—namely ideological construction, theoretical construction, political construction, organizational construction, and work style construction—and has made the judgment that the “CPC is worthy of being called both the strong leading nucleus for carrying out our country’s socialist modernization cause as well as the ruling party that never disappoints the heavy trust and hopes of the people.” This is also absolutely in conformity with our region’s reality. Since reform and opening up, the regional party committee and party organizations at all levels across the region have unswervingly implemented the party’s basic line, acted in close connection with the central task of economic construction, done plenty of work in building the party, and achieved tremendous success. The entire party has conscientiously studied and applied Comrade Deng Xiaoping’s theory on building socialism with Chinese characteristics; has further strengthened the party’s ideological and theoretical construction; has further enhanced the consciousness of the broad masses of party members in implementing the party’s basic line; has regarded economic construction as the central task; and has further enhanced the ideology of accelerating reform, opening up, and development. The entire party has noticeably raised the overall quality of leading bodies at all levels; has further implemented the principle of ensuring the “political integrity of cadres who are young, better educated, and professionally competent” as well as the principle of making them have both ability and political integrity; and has enabled a great number of outstanding middle-age and young cadres to assume leading posts at all levels. The building of the party’s grass-roots organizations has been unceasingly strengthened, their fighting bastion role has been given further play, the ranks of party members have been unceasingly expanded, and their quality has been noticeably enhanced. Expected results have been made in the anti-corruption struggle; noticeable results have been made in leading cadres’ honesty and self-discipline; a number of cases on law and discipline breaches have been investigated and handled; and unhealthy trends which the masses fell strongly about have been checked. The grass-roots party organizations and the broad masses of party members on all fronts have stood on the van of building the two civilizations and given play to their fighting bastion role as well as the vanguard and exemplary role, thus giving rise to a number of advanced party organizations and outstanding party members. We have strengthened party building and effectively promoted reform, opening up, economic construction, and the development of all undertakings in the entire region. From 1978 to 1993, the entire region’s GNP rose from 5.799 billion yuan to 48.662 billion yuan; the total industrial output value jumped from 5.296 billion yuan to 52.001 billion yuan; the total output value of agriculture and animal husbandry increased from 2.835 billion yuan to 22.08 billion yuan, the total grain output rose from 9.98 billion jin to 22.16 billion jin, and the total number of livestock jumped from 41.66 million to 55.77 million; financial revenues increased from 690 million

yuan to 5.612 billion yuan; total retail sales of commodities increased from 3.68 billion yuan to 20.21 billion yuan; the average per capita net income of peasants rose from 130 yuan to 778 yuan; the average per capita net income of herdsmen jumped from 236 yuan to 1,164 yuan; and the average per capita income of urban residents for living expenses rose from 273.65 yuan to 1,712 yuan.

Inner Mongolia is experiencing one of the best periods in history for its economic development, social progress, national unity, and political stability. These achievements fully prove that the main stream and essence of the region’s party contingents are good. On the whole, the contingents are capable of rallying and uniting the people, are combat effective, and are capable of leading people of various nationalities to conquer difficulties and continuously advance. If we fail to see this basic fact, our confidence in making party building successful will vacillate. We must remain clear-headed on this issue.

C. We should fully estimate the incompatibility of Inner Mongolia’s party building with the new situation and new tasks, and should enhance the sense of urgency toward the endeavor of making party building successful. While fully affirming the main stream of party building, we should also remain clear-headed in noting that in the face of the complicated and changing international situation and the heavy tasks for reform and construction, our ideas and concepts, our knowledge level, and our leadership level still need to be further upgraded; in some areas, the incompatibility of the party’s ideology, organization, and work styles with the developing situation still need to be resolved. Some localities and departments slackened efforts in party building due to a lack of adequate understanding of the importance of the endeavor to make party building successful in the new situation. Others failed to conduct adequate studies and put forward measures to resolve the new contradictions and new problems in party building under the new situation. For instance, they still have yet to establish a set of complete regulations and effective measures concerning the form of the activities and the development of the role of the grass-roots party organizations in rural and pastoral areas, the role of the enterprise party organizations as a political core, the implementation of democratic centralism in departments and units that institute the administrative leadership responsibility system, the management of floating party members, and the establishment of party organizations at nonpublic enterprises. Still others were faced with a serious phenomenon in which the party did not take charge of party affairs, the party was not strictly managed, the organization was slack, and discipline was lax. Some party members and cadres had wavering faith in communist ideals and socialism, and had weak concepts toward the party and the principle of serving the people. Others, failing to resist the erosion and temptation of the corrupt bourgeois ideas, went against the party’s purpose, abused power to seek selfish gains,

engaged in deals between power and money, and perverted justice for bribes. If we do not solve these problems step by step by strengthening party building and let them spread, not only will the party's prestige among the masses be seriously undermined and the party's unity and combat strength affected, but Inner Mongolia's efforts to continuously deepen reform and achieve a moderately prosperous life on schedule will be seriously affected. Comrade Deng Xiaoping said that if any problems should emerge, it would be within the party that these problems would emerge. What he said was truly a warning. Each and every Communist Party member should wake up to the historical and immediate lessons, should enhance the sense of hardships and urgency, and should exert utmost efforts to strengthen party building with a high political awareness in being responsible to the party and the people.

2. Have a Good Command of Work Focus and Exert Particular Efforts To Make Party Building Successful While Continuing To Improve the Party's Ideology and Work Styles

The efforts to improve the party's ideology, organization, and work styles are complementary and constitute an integrated whole. The "decision" of the fourth plenary session of the 14th party Central Committee expounds the dialectical relationship between them and calls for putting ideological improvement first as well as continuously extending in range and quality the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. It also calls for increasing efforts to improve work styles, and persistently and thoroughly carrying on the struggle against corruption. Meanwhile, it points out that "stepping up efforts to improve the party's organizations has become a prominent link when comprehensively implementing the central arrangements for improving ideology and work styles." For this reason, the fourth plenary session of the party Central Committee concentrated on the study of improving the party's organization, and made a decision on the three major issues of upholding and improving democratic centralism, strengthening and improving the party's grass-roots organizations, and training and selecting leading cadres who have both political integrity and abilities.

The regional party committee investigated and studied these issues before the fourth plenary session and drafted "opinions on implementation" after the session. On the basis of extensively soliciting opinions from various fronts and through studies and revisions for several times, the regional party committee approved in principle the "opinions." At this session, the participants conscientiously discussed the "opinions" and generally maintained that the "opinions" embody the guidelines of the "decision" of the fourth plenary session of the 14th party Central Committee, are closely connected with the region's reality of party building, give direct indication of what they are aimed at, are of strong serviceability, and make the "decision" more specific in

our region. Simultaneously, the participants also made some good opinions and suggestions. After the session, we will further revise the opinions according to your opinions and then formally issue them to the lower levels. Thus, all localities and departments are asked to implement the guidelines of the fourth plenary session of the 14th party Central Committee according to the requirements set forth in the opinions and in line with different actual conditions. Here, I am going to emphatically add several opinions.

A. According to the arrangements of the party Central Committee and the regional party committee, we should continue to grasp the party's ideological construction and the improvement of party style.

Since the 14th party congress, the party Central Committee and the regional party committee have comprehensively made arrangements for strengthening the party's ideological construction and the improvement of party style. The guiding principles, objectives, tasks, and work priorities are extremely clear and definite. We should continue to implement them according to the arrangements that have been defined.

Arming the whole party with Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics is a fundamental issue concerning the enhancement of the party's ideological construction. All localities and departments should continue to conscientiously grasp the study of the Volume 3 of the *Selected Works of Deng Xiaoping*, and combine the study of the third volume with that of the "decision," the party's line, principles, and policies, and various central instructions. We should conscientiously study and read Comrade Deng Xiaoping's works in line with the basic issues that what is socialism and how socialism is built and should exert efforts to grasp the scientific systems of theories, to persist in the scientific attitude and the pioneering spirit of emancipating the mind and seeking truth from facts, and to apply theories to solving the current major problems. In line with the reality of deepening reform, promoting development, and maintaining stability and according to the new situation and the new problems cropping up in the course of setting up the socialist market economic system, we should conduct deep study, upgrade the awareness of firmly persisting in the basic line of the party, and enhance control over the overall situation.

Persisting in the goal of serving the people wholeheartedly and narrowing the relationship with the masses is the key content of the improvement of party style. The leading organs and leading cadres at various levels should further regard carrying out the fine traditions of the party and consolidating and strengthening the flesh-and-blood relations with the masses as an important task for enhancing the improvement of party style and exert great efforts to realistically attend to it. We should firmly remember the fundamental goal of the party, persist in the Marxist mass viewpoints and the mass line of the

party, go deep to the grass roots, listen to the masses' opinions, be concerned with the weal and woe of the masses, and do our best to benefit and do concrete deeds for the masses. We should respect the pioneering spirit of the masses, learn from the masses with an open mind, and be good at summing up the experiences gained by the masses. Under the current circumstances where some disaster-hit people are experiencing difficulties in production and living conditions and the production of some enterprises is in a depressing state, we should not only pay attention to resolving the people's real difficulties but also accurately conduct education and give instructions, penetrate the ideological and political work into the work in various spheres, ease the masses' mind, and mobilize their enthusiasm and creativeness.

Continuously and profoundly launching the anticorruption campaign is a major content of the improvement of party style and administrative honesty. At the preceding stage, some results were achieved in the region's anticorruption campaign. However, these results cannot be overestimated, and our tasks remain extremely arduous. We should further pay attention to implementing the three tasks concerning the anticorruption campaign in line with the arrangements of the central and regional authorities. We should emphatically grasp the administrative honesty and self-discipline of leading cadres and conscientiously carry out the various regulations laid down by the central and regional authorities. We should concentrate our time and strength on investigating and handling major and appalling cases and strive to wind up a large number of major and appalling cases. Malpractices of trades and professions should be straightened out one by one in line with regulations, and malpractices of departments should be checked resolutely by curing both the causes and the phenomena in order to achieve practical results. We should further strengthen leadership over the anticorruption campaign, earnestly conduct supervision and inspection, and increase the dynamics in order to push forward the campaign in an even more profound manner.

B. We should persist in and perfect democratic centralism, give play to the enthusiasm of the whole party, and ensure a high degree of unification in the party's ideology, organizations, and actions.

Democratic centralism is a fundamental organizational system and leading system of our party. Adhering to and perfecting democratic centralism is a basic guarantee for safeguarding the party's unification in ideology, organizations, and actions and for consolidating the party's unity and unification. Under the new situation, adhering to and perfecting democratic centralism is the fundamental guarantee for strengthening party leadership, enhancing the party's coherence and fighting capacity, and achieving success in the great cause of building socialism with Chinese characteristics. Since the third plenary session of the 11th CPC Central Committee, party organizations at all levels in the region have

conscientiously executed democratic centralism by proceeding from the overall situation of reform, development, and stability and have gained many successful experiences from practice. Quite a few problems also exist in this aspect, however. For instance, we have not done enough over recent years in education on persisting in democratic centralism, thus making some leading cadres truly lack an understanding of how to carry out democratic centralism. In the process of executing democratic centralism, we not only face problems of lacking democracy, failing to mobilize the enthusiasm of party organizations and party members, and failing to make policy decisions democratically, we also have the problems of lacking centralism, lacking an overall concept, not being strict in executing discipline, and failing to persist in collective leadership system. In addition, we have not conducted sufficient research for the new contradictions and problems emerging in the process of executing democratic centralism under the new situation, and have failed to answer and tackle the questions concerning theory and practice in a timely manner. In addition, we have not done sufficient and effective jobs in the fields of building systems and supervisory mechanism. These problems should all be resolved conscientiously according to the guidelines of the fourth plenary session of the 14th CPC Central Committee and in line with the specific realities of various localities.

For the adherence to and perfection of democratic centralism, the decision of the fourth plenary session of the 14th CPC Central Committee has provided a profound theoretical exposition and a series of important measures in line with the demands of Comrade Deng Xiaoping. The region's opinions to implement the decision have again set forth specific demands on us according to the guidelines of the "decision" and in line with the reality of the region. All these demands should be realized. Here I want to again stress on three points.

First, in upholding and perfecting democratic centralism, we must strengthen education. Party organizations at all levels should conduct the education of democratic centralism among all party members and leading cadres at all levels, particularly among new party members and the middle-aged and young cadres who have just joined leading bodies in line with the demands of the fourth plenary session of the 14th CPC Central Committee, so that they can master the basic theory and principles concerning democratic centralism, they can be more conscious in executing democratic centralism, and they can correctly understand and handle the relations between individuals and organizations, lower levels and higher levels, democracy and centralism, discipline and freedom, and power and supervision. Then, we can give rise to a "vivid and lively political situation characterized not only by centralism but also democracy, not only discipline but also freedom, not only unified will but also the ease of mind of individuals" within the party, that was advocated by Comrade Mao Zedong.

Second, it is imperative to perfect the systems in upholding and perfecting the democratic centralism.

This means to apply specific systems to standardizing the party organizations and the behavior of party members and to specify and systematize the principles of democratic centralism so as to make them convenient to use. As for this, clear and definite demands have been put forward in the "decision" adopted at the fourth plenary session; in the opinions raised by the autonomous region on implementing the decision; and in the work of formulating, improving, and enforcing the systems set in the opinions. Various localities and departments should do a good job in earnestly grasping these demands.

Third, in upholding and perfecting the democratic centralism, it is imperative to enhance the supervision. This means to formulate inner party supervisory regulations in line with the demands set in the "decision" adopted at the fourth plenary session, to perfect the inner party supervisory mechanism, and to fully apply the powerful weapon of criticism and self-criticism to bringing into play the role of the party's supervisory organs. Strictly enforcing party discipline represents an important content of enhancing the inner party supervision. We must uphold the principle which states that everyone is equal before discipline. No matter what duties they are assuming or what occupations they are engaging in, party members must abide by the party discipline. Those who have well enforced the discipline should be commended, and those who have violated discipline, should be strictly investigated and handled. We should enforce these measures to ensure the implementation of democratic centralism.

C. We should enhance the construction of party organizations at the grass-roots level and bring into full play the combat-fort role of party organizations at the grass-roots level and the vanguard and model role of party members.

Party organizations at the grass-roots level are the cells of the party's organizational system as a whole and represent a foundation for the party's overall work and fighting strength. These party organizations directly are assuming the important duties of educating, managing, and recruiting party members; of enlightening, organizing, and uniting with the masses; and of implementing the party's line, principles, and policies at the grass-roots level. In promoting the reform, developing the economy, and maintaining the social stability, we must rely on bringing into full play the combat-fort role of party organizations at the grass-roots level and the vanguard and model role of party members. Since the enforcement of reform and opening up, grass-roots-level party organizations on various fronts throughout the autonomous region have resolutely enforced the party's line, principles, and policies and have united with and led the people of various nationalities to plunge into socialist modernization. The broad masses of Communist Party members have played a vanguard and model role on various fronts and in various work by standing on the forefront of the age and made contributions to building Inner Mongolia into a unified, rich, and civilized region. It may be said that the general situation

prevailing among the party organizations at the grass-roots level across the region is fine. The party building is being faced with many new situations and contradictions along with deepening the reform, expanding the opening up, achieving economic development, and particularly along with achieving transformation toward socialist market economic systems. The construction of party organizations at the grass-roots level has incurred the problem of not suiting itself to the demands of the new situation. For example, some party leading organs have relaxed their leadership over the party building at the grass-roots level under the new situation of reform and opening up. Some grass-roots-level party organizations have not vigorously grasped their self-improvement and relaxed their education and management over party members. A few party branches in rural and pastoral areas have been in a flabby, disunited state and some of them have been at a standstill. Some grass-roots-level cadres have not been upright in their ways and have broken away from the masses. Some of them have become old, lacked broad minds, and been unable to assume the heavy duties of uniting with the masses. In some localities, only a few party members are working on the forefront of production. The party members of peasants and herdsmen have become old and have low cultural standards. Some of them are unable to play a vanguard and model role in work. By proceeding from the region's reality according to the demands set in the decision adopted at the fourth plenary session, improving and enhancing the construction of party organizations at the grass-roots level represents an imminent task before the party organizations at all levels across the region.

As for conducting this work, the "decision" adopted at the fourth plenary session and the "opinions" raised by the autonomous region on implementing the decision have given clear and accurate directions to the fields of significance, guidelines, duties, and demands. I, hereby, would like to only and emphatically cite the following two points:

First, we should deeply conduct investigation and study and really size up the situation. It is necessary to keep abreast of the situation in building grass-roots party organizations, figure out the good and the fairly good ones, how big the proportion is, their main experiences; find out those that have done a poor job, how big the range is, their major problems and reasons for their bad performance, and what methods we should take to solve them. Once these issues are clarified, then we may formulate plans, make arrangements, and make our work become more specific and effective.

Second, we should implement responsibility. On the one hand, this responsibility should be implemented in relevant party organizations. The "decision" of the fourth plenary session has proposed that the "key to strengthening the building of rural grass-roots party organizations lies in the county party committees and the main responsibility of strengthening the building of urban

grass-roots party organizations lies in the city party committees." The implementation idea of our region has also stressed that the "sumu and township party committees should assume direct responsibility for strengthening the building of gacha and village party organizations." The city, banner, county, sumu, township, and town party committees should act in line with the aforementioned demands and assume their own responsibilities well. On the other hand, it is necessary to implement the responsibility among each and every person. For example, we should send personnel to help backward party branches in rural and pastoral areas as well as banner, county, sumu, township, and town party committees conduct rectification; if the localities do not have suitable candidates for party branch secretaries, we should select and send outstanding young cadres to assume posts there. It is necessary to clearly define the tasks, demands, and time limits for cadres who have been transferred to the grass roots to help in the work or to assume posts, and commend, award, place in important posts, and promote those who have changed the outlook and made outstanding achievements ahead of schedule or on time; extend the time limits for those who fail to fulfill the tasks until their tasks are accomplished; and criticize, educate, and even demote those who are incompetent or fail to exert efforts to this work in line with their specific situations.

D. We should cultivate and select leading cadres who have both ability and political integrity and strive to create transcency leading personnel who can shoulder heavy responsibility.

The core of strengthening the building of party organizations is to strengthen the building of the party's leading bodies at all levels, and the key is to cultivate and select a batch of leading cadres who have both ability and political integrity, particularly the party and government principal leading cadres at and above the banner and county levels. Since the 1980's, party organizations at all levels across the region have conscientiously implemented the principle of cultivating cadres of political integrity who are young, better educated and professionally competent, conducted cooperation between old and new cadres and succession of the new to the old, selected a great number of outstanding middle-aged and young cadres for placement in leading bodies at and above county and section levels, and gradually rationalized the structure of our region's leading cadres at and above the county and section levels. However, the cooperation between old and new cadres and the succession of the new to the old constitute an endless historical process. Actively cultivating and selecting leading cadres who have both ability and political integrity and cultivating transcency leading personnel who can assume heavy tasks have become one of the major and urgent tasks in the current party building as well as the building of leading bodies. I want to stress two points on this issue:

First, we should base ourselves on the current situation and raise the quality of the existing leading cadres. This

is a fundamental work in cultivating leading cadres with both ability and political integrity. In our region, there are nearly 10,000 cadres at and above the county and section levels, and the level of their political ability, knowledge, and leadership have a bearing on the progress of the whole region's reform, opening up, and modernization construction. The leading cadres of leagues, cities, banners, counties, departments, and bureaus in particular are shouldering the heavy task of leading a locality or a department to implement the party's line, principles, and policies. To prove themselves equal to the task and to perform their responsibility well, they must comprehensively raise their own quality. On the one hand, we should create essential conditions for them organizationally. For example, we may select and send cadres to further their studies in party schools, to conduct observation in developed regions, to work and be trained in grass-roots levels, and to enhance their theoretical level and leadership ability. On the other hand, leading cadres at all levels should enhance their sense of urgency and consciousness of raising their own quality, respond to the call of the Party Central Committee, study more, have fewer social gatherings, exert efforts to raise their theoretical level, professional quality, and organizational ability, and turn themselves into qualified leaders who can meet the demands of the new period.

Second, we should keep long-term interests in view and exert great efforts to train and select outstanding young cadres. According to statistics, in the league and city leading bodies of the region, members aged 45 or under account for merely 15.1 percent, and 17.7 percent of the leading cadres at the league or city level will reach the age limit of their posts in the next five years; and in the banner and county leading bodies, members aged 45 or under account for 44.3 percent, and a considerable part of the comrades will also reach the age limit of their posts in the next five years. Judging from both the need to enhance the vigor and vitality of the existing leading bodies and the need to maintain the continuity of the party's line, principles, and policies, the work to train young cadres more rapidly brooks no delay. Party committees at and above the banner or county level should do a good job in formulating the plans for training reserve cadres and step up efforts to organize implementation of the plans. We should further emancipate our minds; establish concepts that are compatible with the development of the era; judge young cadres mainly by their nature, essential aspects, performance, development, and potential; orient our work to the future; broaden our field of vision; have the ability to discover talent; and have the courage to use talents. We should adhere to the criterion of political integrity and ability and also eliminate the idea of demanding perfection. When using cadres, we should develop their strong points to the full and have the courage to increase their burdens so that they can temper and improve themselves in the course of practice. We should expedite the reform of the cadre system. Some localities have conducted

brave explorations on the reform of the cadre system and adopted such measures as "one recommendation and two tests." We should conscientiously summarize and gradually disseminate them. Through the reform, we should solve well the problem that cadres can only be promoted and not demoted when required and other problems in the exchange of cadres, in their transfer for training purpose, in their rotational assumption of certain posts, and in assigning them to particular posts in other localities.

3. Adopt Effective Measures To Carry Out All the Tasks of Party Building

The fourth plenary session of the 14th party Central Committee reiterated the discipline to conscientiously implement all the decisions and resolutions adopted by the party Central Committee from now on. Now that the "decision" of the fourth plenary session of the party Central Committee has been published and we have discussed the opinions to implement it at this session, our next step is to conscientiously implement them and turn the guidelines of the "decision" and the region's opinions into specific deeds of the party organizations at all levels and the vast number of party members throughout the region. To ensure "conscientious implementation," we should make sure that our guiding thoughts are "realistic" and "strict." To be "realistic" means to persistently seek truth from facts, to thoroughly understand the actual conditions of all localities and departments, to work out plans and measures in the principle of integrating central guidelines with specific local conditions, to implement in a down-to-earth manner, and to pursue actual results instead of formalism. To be "strict" means to persistently manage the party strictly, to institute systems strictly, to enforce discipline strictly, to criticize and educate those who fail to be conscientious in implementation, and to take disciplinary action against those with serious problems. Following this idea, all localities and departments should achieve success in the following work.

First, they should study, publicize, and implement the guidelines of the fourth plenary session of the party Central Committee in a down-to-earth manner. A success in studying, publicizing, and implementing the guidelines of the fourth plenary session of the party Central Committee is an important political task for the entire party for the present and for some time to come. Party organizations at all levels in the region should attach great importance to it and adopt realistic measures to carry it out successfully. Leading bodies of party committees at all levels should devote time particularly to the study and discussion of it, and immediately assign lower levels to organize the vast number of party members to study it. Party schools at all levels should hold study or discussion sessions to train leading cadres in a rotational manner, using the "decision" of the fourth plenary session of the party Central Committee as the teaching material. Based on the different conditions of the party members on various fronts and the specific

conditions of various localities, propaganda departments at all levels should compile materials for the publicity of the "decision" of the fourth plenary session of the party Central Committee and adopt various measures to publicize the guidelines of the fourth plenary session of the party Central Committee to promote the study of the "decision."

At the time of comprehensively understanding the guidelines of the "decision," we should emphatically understand Comrade Deng Xiaoping's thinking concerning the building of the ruling party in the new situation and define and intimately know some major issues as set forth and expounded in the "decision." At the time of studying and understanding the guidelines of the "decision," all localities and departments should deeply conduct investigations and study, clearly understand the current situation in party building, analyze the general situation, sum up successful experiences, study the new contradictions and problems unsuitable to the new situation, and study and work out new methods for solving these contradictions and problems. Based on this, all localities and departments should work out targets and plans for strengthening party building and make arrangements for implementing the targets and plans.

Second, we should intensify the awareness that the party should administer party affairs and implement the system of responsibility for party building. Persistence in the principle that the party should administer party affairs is a fine tradition for party building as well as a basic principle for party building. To grasp the implementation of the "decision," all levels should intensify the awareness that the party should administer party affairs and implement the system of responsibility for party building. The party committees at various levels and principal responsible comrades of the leading party groups should personally study and implement the "decision," personally grasp party building, and take the lead in this regard. The responsible comrades in charge of party building should pay attention to party building when the standing committee members in charge of organizational, propaganda, and discipline inspection work should be assigned personal responsibility for grasping party building and the rest standing committee members and the party-member leading cadres in charge of the work of the government departments should cooperate with one another to grasp party building. The party committee secretaries present at this session should comprehensively assume overall responsibility for grasping party building. The secretaries who pay no attention to the study and implementation of the "decision" and who do not grasp party building are subject to dereliction of duty, and those failing in this regard are prone to incompetence. The work departments under the party committees at various levels should assume responsibilities according to their functions. The discipline inspection commissions at various levels should put the safeguarding of the party's political discipline in the first position and wage the struggle against corruption in a deep and sustained manner. The organizational

departments at various levels should concentrate efforts on grasping the construction of party organizations and implement the three tasks as set forth at the fourth plenary session well. The propaganda departments at various levels should do a good job in studying and disseminating the "decision" and positively grasp the party's ideological and theoretical construction. Simultaneously, all departments should proceed from the overall situation, support and cooperate with one another, pool the joint efforts of all fronts, and make overall achievements in party building.

Third, we should make an overall plan, carefully make designs, and achieve the setup of systems. Paying attention to the setup of systems is an important guiding ideology as set forth in the "decision" of the fourth plenary session. Over the past years, our region has formed many effective systems for party building and these systems have played a positive role in standardizing inner-party political activities. However, along with the development of the situation, some systems have to be revised, supplemented, or perfected; and some new systems should be formulated according to the new situation. The systems for party building should be set up and perfected by different levels. The systems governing the major issues concerning the party building of the regional overall situation should be formulated in a unified manner by the region. The systems for routine work and those to be carried out by parts of the areas should be formulated by the localities and the departments concerned. The work departments under the party committees should assume key responsibility for the setup of systems. According to the principle for "making overall plans and carefully making designs" as set forth at the fourth plenary session and according to regional opinions for implementing the decision, the departments concerned under the regional party committee should conscientiously engage in study after this session so as to revise and supplement the regional systems for party building, base themselves on investigations and study to draft some new systems, and submit the new systems to the regional party committee standing committee for examination. All leagues, cities, banners, counties, and regional-level departments and units should do so. We should make efforts to further set up scientific regulations and rules for democratic centralism, grass-roots party organizational construction, and cadres' training and promotion and to form new mechanisms and standards suitable to the demands of the new situation.

Fourth, we should pay attention to typical examples. Letting typical examples lead our way is an important work method for party building. When holding large and important meetings in the future, we should 1) implement the guidelines from higher levels, 2) have our own policies and methods, and 3) have typical examples. In general, no meetings should be held without typical examples. This should be taken as a system.

During the current endeavor to implement the guidelines of the fourth plenary session of the party Central

Committee, all localities should foster a number typical examples in achieving improvement in ideology, organization, and work styles so that party organizations at all levels and the vast number of party members will have targets to learn from and direction to catch up and will establish good image among the masses. At present, we should particularly foster typical examples of those who maintain political unity with the party Central Committee, have the cardinal principles in mind and take the overall situation into account, and resolutely safeguard the overall interests; those who play a role as fighting bastions, leaders, and models in the major battlefields of reform and construction and lead the masses to shake off poverty, achieve moderate prosperity, and change the outlook of enterprises; those who emancipate the mind, seek truth from facts, integrate the guidelines from higher levels with their specific conditions, have the courage to innovate, and brave the way forward; the typical examples who have a down-to-earth work style, maintain ties with the masses, work hard without complaints, and are dedicated to work selflessly; and the typical examples who have good work styles, set strict demands on themselves, and have the courage to tackle difficulties. While fostering advanced examples, we should also pay attention to some negative examples and publicly handle the typical cases on disunity, dishonesty, and refusal of doing practical work and abiding by laws and discipline so that people will learn a lesson from them.

Fifth, we should do a good job in supervision and inspection to promote the implementation of the guidelines of the "decision." Comrade Jiang Zemin gave an instruction not long ago: "Formulating policies and making arrangements for implementation constitute only a half of the work, and the other half, a more important one, is to make sure that the policies and arrangements are carried out. For this reason, supervision and inspection are very necessary. Conducting supervision and inspection is an important leadership link and leadership method, and we must never slacken efforts in it." Making conscientious efforts in supervision and inspection as demanded by the General Secretary is an important guarantee for implementing the guidelines of the fourth plenary session of the party Central Committee. After this (enlarged) plenary session, the general office, organization department, and discipline inspection commission of the autonomous regional party committee should make arrangements, learn about the study activities of all localities and departments in a timely manner, and make overall reports to the regional party committee. They should also supervise and inspect how all localities and departments have implemented the guidelines, summarize the experiences, and solve problems in the implementation whenever they are discovered. All league, city, banner, and county party committees and all departments directly under the region should also attach great importance to this work and assign responsibility at every level. Leading comrades at all levels should go down to

grass roots to conduct investigation and study, achieve success in the experimental work, give timely guidance to lower levels' implementation of the "decision" and party building, commend and encourage those which have done a good job, and give necessary criticisms to spur on those that have done a poor job. The autonomous regional party committee has decided that after this session, its standing committee members should go to banners, counties, sumu, towns, townships, gacha, villages, and enterprises to conduct investigation and study and give specific guidance to implementation of the guidelines of the fourth plenary session of the party Central Committee. Leaders of leagues, cities, banners, counties, and major departments should also do so.

4. Grasp the Current Work and Successfully Fulfill This Year's Various Tasks

We have already made comprehensive plans on the work for the next few months of this year at the ninth plenary session of the fifth regional party committee held in mid-September and in addition to the task of greeting the convocation of the sixth regional party congress with concrete deeds, put forward nine tasks, so that we created ten in number. Judging from the collected data, all localities and departments have done a fairly good job in implementation. In the next step, we should act in line with the enacted plans and continue to implement them. Generally speaking, we should act in close connection with the general tasks of the entire party and the whole country, make further and realistic efforts to attend to reform, development, and stability, pay special attention to firmly grasp the central task of economic construction, and accelerate the pace of development. We should neither waver in the various objectives and tasks put forward earlier this year nor in the policy measures defined for reform and opening up, guarantee the fulfillment of all national economic objectives and tasks of this year, and lay a foundation for the development of next year and for some time to come. What we should stress is that in the production of agriculture and animal husbandry, we must attend to the capital construction of farmland and grassland projects during this winter and next spring and the work of preventing disasters to protect livestock in the pastoral areas, make plans and arrangements earlier, and at the same time, make arrangements for production and living of the masses in the disaster areas so that they can tide over winter; in industrial production, we should prominently grasp the work of helping enterprises end deficits and increase profits, and enhance their economic efficiency; in financial and taxation work, we should attend to tax revenue collection and management, actively increase revenue and reduce expenditures, and guarantee the basic balance between financial revenue and expenditure during the year; while invigorating circulation in the market, we should outstandingly grasp the issue of stabilizing commodity prices, adopt effective measures, and guarantee the basic stability of prices. In the course of grasping economic work, we should also do a good job in grasping the comprehensive management of public security and

guarantee social stability. To successfully grasp the current work, leading cadres at all levels are required to have a good mental state and work style. Under the current situation in which difficulties and contradictions are fairly great in number, leading cadres must enhance spirit, strengthen confidence, resolutely overcome the phenomena of formalism and superficial work style, try their best to reduce regular social gatherings, concentrate energy on grasping major affairs, exert efforts to solve practical problems, and implement the work plans defined at the ninth plenary session of the fifth regional party committee and this plenary session in places where needed.

Making good preparations for the convocation of the sixth regional party congress is one of the important tasks defined at the ninth plenary session of the fifth regional party committee. In line with the demand of "drafting a good report and arranging for a good leading body," the regional party committee has already organized a relevant working body, and these two tasks are being vigorously carried out. Various leagues and cities and all relevant departments of the region have acted in line with the demand of the regional party committee, conscientiously summarized the work done since the convocation of the fifth regional party congress, and offered views and suggestions for making economic development strategy, objectives, and measures for the next five years. We have also held forums of veteran cadres to solicit their opinions on how to make the sixth party congress a success. Judging from the general situation, the preparations for the convocation of the sixth party congress are progressing well. It is hoped that all localities would act in line with the stipulations of the Party Constitution and the demands of the regional party committee and realistically do a good job in the election of delegates to the sixth regional party congress. Meanwhile, we should enhance spirit, have a down-to-earth work style, push all fields of work forward, and greet the successful convocation of the sixth regional party congress with new achievements in party building work and new success in economic construction, reform, and opening up.

Northeast Region

Heilongjiang Reviews Law-Enforcement Departments

SK0911031394 Harbin HEILONGJIANG RIBAO in Chinese 8 Oct 94 p 3

[By Zhang Yingwen (1728 5391 2429) and reporter Song Zhanqi (1345 0594 1142): "Heilongjiang Begins Examination of the Qualifications of Major Law-Enforcing Administrative Departments"]

[FBIS Translated Text] According to the provincial legal system bureau, an examination of the qualifications of the major law-enforcing administrative departments

aimed at clearing up and consolidating the major law-enforcing administrative departments and standardizing their law-enforcing activities according to law, was begun throughout the province in Heilongjiang. This is the first such examination in the country.

Law-enforcement administrative departments in Heilongjiang have been learned to have conspicuous problems. Some unauthorized organizations and individuals overstepped their power to enforce laws and wantonly applied specific administrative acts without a legal basis by misusing certificates or without any certificate at all, putting citizens, legal persons, and other organizations and administrations at a loss as to what to do and increasing the burdens of enterprises and the masses. This has undermined the image of the government. According to a survey of Harbin city alone, of the 189 city departments and units which performed the administrative law-enforcement responsibility, 29 were unauthorized. Certificates for administrative law-enforcement used by all localities and departments in the province totaled as many as 70 and more. They were issued either by state and local law-enforcing administrative departments at all levels or by neighborhood offices. Such a situation needs to be rectified urgently.

As was learned, the major law-enforcing administrative departments to be examined this time include the administrative organs which directly perform the function of administration of society according to law and their agencies; the law-enforcing organizations authorized (or designated) by laws, decrees, and regulations; the law-enforcing organizations entrusted by law-enforcing administrative organs; other organizations that actually perform the administrative law-enforcement function; and the incumbent personnel of the above-mentioned units or the personnel they borrow, employ, or entrust to directly apply specific administrative acts on those under their administration. The legal basis and procedures of their administrative law-enforcement, the sources of funds and certificates for law-enforcement, and the political and professional quality and the on-the-job training of the administrative law-enforcing personnel will be examined. The results of the provincewide examination and the measures to make improvement will be made public after examination.

Heilongjiang To Sell 20 Million Mu in Wasteland
SK0911073994 Harbin HEILONGJIANG RIBAO in
Chinese 20 Oct 94 p 2

[By reporter Shen Cai (3088 2088): "Two Thousand Million Mu of 'Five Wastes' in Heilongjiang's Reclamation Area Pushed to the Market"]

[FBIS Translated Text] Heilongjiang's reclamation area, long known as the "Great Northern Wilderness," recently made a decision to push its 20 million mu of "waste land, waste hills, waste grasslands, waste water

areas, and waste beaches" to the market and to comprehensively open them to the outside world. On 1 September, the Mingzhu General Corporation of Shandong's Muping County signed a 30-year-term land management contract with the Xingkaihu Farm on making a joint investment of 5 million yuan to reclaim 30,000 mu of wastelands. This marked the overture of the second exploitation of the reclamation area.

Heilongjiang's reclamation area abounds in "five wastes." Those exploitable total 21.3 million mu, of which 14.85 million mu are wastelands and waste grasslands, accounting for one-third of the total reclaimable wastelands of Heilongjiang. The reclamation area now has a population of 1.6 million and 3 million mu of cultivated land, and its annual industrial and agricultural output value totals 7 billion yuan. With railways, highways, inland waterways, and air routes radiating in all directions and with its own telecommunications and power systems that link to other areas of the province and areas outside the province, the reclamation area has far superior infrastructural facilities for the exploitation of the "five wastes." All the major rivers in these "five wastes" have all been harnessed and equipped with key water canals. The reclamation area has 110,000 scientific and technical personnel of various specialties, and it has established a fairly good social security system. It stipulates that the "five wastes" will be sold publicly through competition on an equal footing. People willing to exploit the "five wastes" in the reclamation area may adopt the methods of bidding for purchase or contract, cooperation, joint management, joint investment, and leasing. The term of exploitation may be as long as 70 years. In general, it will be over 30 years. The land use rights may be transferred, leased out, mortgaged, or inherited before the contracts expire. Those who exploit the "five wastes" are exempted from the agricultural tax for three years, which is a preferential policy of the provincial government and, in addition, are exempted for three years from delivering profits to the part that contracts out the "five wastes." Foreign-funded enterprises which develop agriculture, forestry, animal husbandry, and fisheries in the "five wastes" for a term of over 30 years may be exempted from the land use fees for 15 years. When the production in the "five wastes" has been developed to a fairly large scale, those who exploit them are allowed to build permanent production and living facilities according to plans if the "five wastes" are far from residential areas. The reclamation area will guarantee their energy sources, building materials, infrastructure, the education of their children, and their medical service on a priority basis.

Jilin Secretary on Implementing 'Decision'
SK0911093794 Changchun JILIN RIBAO in Chinese
24 Oct 94 p 1

[By reporter Guo Yuxue (6753 3768 1331): "Conscientiously Implement the 'Decision' and Realistically Strengthen Grass-Roots Party Organizations"]

[FBIS Translated Text] He Zhukang, secretary, Zhang Yueqi, deputy secretary, and Su Rong, standing committee member and secretary general of the provincial party committee; and Wang Yunkun, standing committee member of the provincial party committee and secretary of the Changchun city party committee; conducted investigation and study at grass-roots units on 22 October on how the "decision of the CPC Central Committee on the several major issues concerning the strengthening of party building" had been studied and implemented and on ways to further strengthen grass-roots party organizations. He Zhukang emphasized the need for conscientiously strengthening and improving the party's grass-roots organizations to comply with the changes in the situation of the new period and the requirements of tasks and the need for ensuring the implementation of the party's line, principles, and policies.

On the morning of 22 October, He Zhukang and his party arrived at the Fenjin Township in the Kuancheng District of Changchun city to hold a discussion with the comrades in charge from the party organizations at the district, township, and village levels. Liu Jutang, secretary of the Fenjin Township party committee; Huang Yongzhou, secretary of the Shangtaizi Village general party branch; Song Guangjin, secretary of the Fenjin Village general party branch; Sun Gui, secretary of the Xinyue Village general party branch; Ding Shuyuan, secretary of the party branch of the Shangtaizi Village Plastic Product Plant; and Kan Yunzhong, standing committee member and organization department director of the Kuancheng District party committee; gave speeches during the discussion to introduce their experiences in paying attention to improving the party's ideology, organization, and work styles, in strengthening the education and management of party members, and in leading peasants to common prosperity. They also offered ideas and suggestions for implementing the "decision" of the party Central Committee and further strengthening the party's grass-roots organizations.

On the afternoon of 22 October, He Zhukang and his party held a discussion at the Jilin Engineering Institute with the secretaries of the party committees (party branches) of some of the universities and middle and primary schools in Changchun. Li Wenhuan, deputy secretary of the Jilin University party committee; Du Lizheng, secretary of the Jilin Engineering Institute party committee; Chen Wei, secretary of the provincial experimental middle school party committee; and Hu Jinghui, secretary of the Changchun city No. 1 experimental primary school party branch; spoke to introduce their study and implementation of the party Central Committee's "decision" and the current situations, experiences, and problems in the party building of their own schools. They put forward some very good suggestions on strengthening party leadership over education.

He Zhukang fully affirmed the achievements these units had won in party building and put forward explicit

demands on the study and implementation of the party Central Committee's "decision." He said: The fourth plenary session of the 14th party Central Committee was an important meeting concerning the overall situation and one with far-reaching significance. The "decision" adopted at the plenary session, a programmatic document for strengthening party building in the new situation, makes overall arrangements for party building, and it will certainly exert an important and far-reaching influence on upgrading the party's leadership level and its level as a ruling party and on promoting reform, opening up, and socialist modernization. The "decision" regards strengthening the party's grass-roots organizations as a priority of the current party building and emphasizes that strengthening grass-roots party organizations is very urgent not just because of the many problems but, more importantly, because the current quality of party members and cadres is very incompatible with the arduous tasks we are faced with. The "decision" sets very high and very clear demands on the building of grass-roots party organizations. How should we meet the demands? While emphasizing the building of leading bodies, we should conscientiously pay attention to party member education. Still higher demands should be set on advanced units. Rural party organizations should devote two to three years to conduct party member education. Only by so doing can we fully develop the role of grass-roots party organizations in forging direct ties with the masses, conducting propaganda among the masses, organizing and uniting the masses, and implementing the party's line, principles, and policies at the grass roots. While studying and implementing the "decision," we should conscientiously summarize the experiences in strengthening grass-roots party organizations, do a good job in training personnel, promote the spiritual civilization, and continuously facilitate reform, opening up, and the modernization drive.

He Zhukang pointed out that the prerequisite for implementing the party Central Committee's "decision" was to study the document well in order to gain a thorough and comprehensive understanding of its spirit and essence, and that we should carry out the specific tasks set forth in the "decision" in line with the actual conditions in party building while studying Comrade Deng Xiaoping's theory on party building. He said: Schools where people are trained and educated shoulder important missions. To implement the party Central Committee's "decision" at schools, the key lies in strengthening leading bodies, which should take the lead in the study and exert earnest efforts to acquire a true understanding. Leaders should study more thoroughly so that they can educate others well. The ideological and political work for teachers and students should be done well. As trainers, teachers must be competent. When the contingents of staff members and workers are built well, their sense of responsibility will naturally be enhanced. We should guide teachers and students to acquire an overall understanding of the actual conditions in reform,

opening up, and construction so that the teachers' lectures will become more convincing and appealing and the students will truly be educated and improved. We should strengthen and improve ideological and political work, adopt multiform and effective measures to educate the vast number of young teachers and students in patriotism and the current situation, and bring up more outstanding personnel for socialist modernization who have lofty ideals and moral characters and who are better educated and disciplined. We should cultivate and recruit party members from college students in an active and planned manner and achieve success in improving the party organizations of departments and teaching research offices, so that the party building of schools will be more successful and adherence to a correct orientation in running schools and improvement in teaching will be guaranteed.

Also attending the two discussions were comrades in charge from the general office, organization department, and higher education work committee of the provincial party committee; the provincial education commission; and the Changchun city party committee.

Liaoning Private Technical Enterprises Increase

OW0511021094 Beijing XINHUA in English 0129
GMT 5 Nov 94

[FBIS Transcribed Text] Shenyang, November 5 (XINHUA)—A new economic mainstay of northeast China's Liaoning Province is private enterprises involved in science and technology.

The past ten years have seen the number of such enterprises increase to 5,180, now providing 72,000 jobs, according to statistics.

New blood has been transfused into Liaoning's economy by these prospering enterprises, which generated a total output of 1.6 billion yuan and 500 million yuan in profits and taxes last year.

Scientific research and new product development take up most of the energy of these enterprises. In 1993 some 4,750 projects were developed, 39 of which won national awards, while 77 earned provincial and ministerial prizes.

This capital of Liaoning granted 261 patent rights to the enterprises by the end of last year.

The Feilong Health Care Products Group, the largest private company engaged in science and technology in Liaoning, produced goods worth 820 million yuan and made a profit of 200 million yuan in 1993. It is said to be the medical enterprise with the highest efficiency in China.

About 30 of these private companies had turnovers of over 10 million yuan and profits of above one million yuan each last year.

Twenty of them have combined into enterprise groups.

It is learned that these enterprises provide experience for their state-owned counterparts concerning reform in the aspects of property rights, labor system, scientific research and development, and business management.

Northwest Region

Wang Lequan, Janabil at Xinjiang CPPCC Committee

OW0911115694 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 6 Nov 94

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] [Video shows pan shots of about 100 conferees in a conference room, closeup shots of Wang Lequan and Janabil delivering speeches, and medium shots of members of the regional Chinese People's Political Consultative Conference committee as their names are mentioned by the announcer] The four-day Seventh Standing Committee Session of the Seventh Xinjiang Autonomous Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] closed in Urumqi on the afternoon of 5 November after successfully completing its agenda. During the meeting, the standing committee members seriously studied the decision of the CPC Central Committee concerning some major issues on strengthening party building, as well as the opinions of the Xinjiang Uygur Autonomous Regional CPC Committee on implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and on some major party-building issues. In light of Xinjiang's realities, they held lively discussion and put forward many very good views and suggestions on how to implement the decision and the opinions.

The meeting examined, discussed, and unanimously adopted the regulations for handling proposals of the Xinjiang Uygur Autonomous Regional CPPCC Committee; and examined and discussed a report on protection of the green corridor on the lower reaches of the Tarim and on comprehensive efforts to harness the Tarim.

Wang Lequan, acting secretary of the autonomous regional party committee, attended the meeting and delivered an important speech. He said: Since the beginning of this year, the autonomous regional CPPCC committee has done a great deal of work in accordance with the guidelines of the Third Plenary Session of the 14th CPC Central Committee and the Sixth Enlarged Plenary Session of the Fourth Autonomous Regional CPC Committee; and has played an important role in maintaining social stability and promoting modernization in Xinjiang. On behalf of the autonomous regional party committee and the autonomous regional people's government, I would like to express my heartfelt thanks to

both the standing committee members and the members of the autonomous regional CPPCC committee for what they have done.

After briefing the conferees on Xinjiang's current political, economic, and party-building situation and relevant problems, Wang Lequan pointed out: In Xinjiang, which is situated on China's western frontier, the international environment is particularly complex and the struggle is particularly intense [dou zheng geng jia ji lie]; moreover, the local economy is backward. So, it is even more urgent and important to strengthen and improve party building.

He said: Implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee is a central task of the party at present, as well as an important matter in the political life of the people across the country. The autonomous regional party committee wholeheartedly welcomes CPPCC committees at all levels in Xinjiang and all their members to seriously perform their functional duties of political consultation, democratic supervision, and participation in the administration and discussion of state affairs. The CPPCC committees and their members should actively urge the party organizations at all levels in Xinjiang to strengthen themselves in accordance with the CPC Central Committee's decision and the autonomous regional party committee's opinions and to promote the implementation of the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Enlarged Plenary Session of the Fourth Autonomous Regional CPC Committee.

Janabil, chairman of the autonomous regional CPPCC committee) also spoke during the meeting. He called on the CPPCC committees at all levels in Xinjiang to know three things during the course of studying and implementing the guidelines of the Fourth Plenary Session of

the 14th CPC Central Committee: 1) to make all CPPCC committee members know their political duties during party building; 2) to fully understand that the main trend of the CPC's party building is good; and 3) to know the arduousness, complexity, and long-term nature of the efforts to strengthen party building. During the course of implementing the guidelines, CPPCC committees at all levels should pay attention to two integrations—integrating efforts to promote the CPC's party building with the efforts to promote ideological education and the improvement of work style, and integrating the implementation of the decision with the current work of deepening reform, opening up wider, promoting development, and maintaining stability. They should properly perform the functional duties of the people's political consultative conference, strive to strengthen themselves, and constantly make new contributions to maintaining social stability and to promoting economic development and all-around social progress.

Present at the meeting were vice chairmen of the autonomous regional CPPCC committee, Feng Dazhen, Yibulayin rouzi, Mao Dehua, Wen Kexiao, Wang Shizhen, Han Youwen, Wu Jiahe, Sulayiban, Aronghannaji, and Paxiayixia; and Hasimu Yimiti, secretary general of the autonomous regional CPPCC committee.

Present at the meeting as nonvoting delegates were some members of the CPPCC National Committee residing in Urumqi, the deputy director of the United Front Work department of the autonomous regional party committee, responsible comrades of the office of the autonomous regional CPPCC committee, chairmen of the CPPCC committees of autonomous prefectures and cities, and chairmen of prefectural CPPCC work committees [di qu zheng xie gong zuo wei yuan hui].

Officials Hold GATT Tariff Talks With 4 Countries

OW0911084394 Taipei CNA in English 0754 GMT 9 Nov 94

[By Maurus Yang and Y.C. Tsai]

[FBIS Transcribed Text] Geneva, Nov. 8 (CNA)—Taiwan delegates met with their Canadian, New Zealand, Czech and Slovak counterparts Tuesday [8 November] to discuss tariff concessions related to Taiwan's entry into the General Agreement on Tariffs and Trade (GATT).

A total of 25 GATT contracting parties have asked for such consultations with Taiwan, which now holds observer status at the world trade regulatory body and hopes to become a full member by the year's end or early next year.

Huang Yen-chao, director-general of Taiwan's Board of Foreign Trade, represented Taiwan at the negotiations with Canada. Huang said the three-hour talks went smoothly.

Canadian negotiators included Paul Haddeau, director of tariffs and market access at the Department of International Trade; Haddeau's deputy, Jacky Snider, and Andrew Griffith, a counselor stationed at the GATT headquarters.

Noting that Taiwan had previously agreed to lower import duties on 340 industrial items among the 748 items requested by Canada, Huang said that the Tuesday meeting reviewed the remaining 408 items including steel, machinery, car parts and telephone parts.

Haddeau expressed the hope that Taiwan will follow three principles in trade with Canada—strengthening market opening through bilateral negotiations, removing value-added taxes on industrial goods and lifting discriminative trade measures.

The Canadian official said that he was satisfied with Taiwan's granting "initial negotiation rights" (INR) to 170 Canadian industrial products, and pledged that the Ottawa government would give full support for Taiwan's admission into GATT.

Later, Chen Wu-hsiung, director of the Economics and Planning department under the Council of Agriculture, talked with New Zealand's representative to GATT Wade Armstrong and Counselor Peter Hamilton on agricultural tariffs.

"We have moved forward toward an agreement," Chen said.

Huang, Chen and Huang Chih-peng, a section chief at Taiwan's Industrial Development Bureau, met with three Czech and Slovak representatives, Peter Palecka, Richard Wagner and Peter Brno, in the afternoon.

During the three-hour negotiations, Taiwan agreed to reduce tariffs on some Czech and Slovak imports including chemicals, machinery, motors, pianos and beer. The sides also exchanged views on tariffs on farm goods.

The Czech and Slovak delegates urged Taiwan to work out a win-win strategy to further promote bilateral trade ties, and Taiwan pledged that Taiwan will gradually lower tariffs on car and steel imports in line with the GATT requirements.

The three Taiwan delegates said that they were happy at the progress made at the talks.

Similar consultations with Colombia, Chile, Australia and Canada will be held Wednesday.

Gubernatorial, Mayoral Election Campaigns Begins

OW0911030294 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 7 Nov 94

[From the "Hookup" program]

[FBIS Translated Excerpt] The first gubernatorial election since the Republic of China [ROC] began its constitutional administration started today [8 Nov]. The five candidates—Tsai Cheng-chih, Chu Kao-cheng, Sung Chu-yu, Wu Tzu, and Chen Ting-nan—will begin their 25-day campaign, starting today. This largest election in ROC history will also pave the way for a direct presidential election in the future. The election results will have far-reaching significance for the nation's future political development.

Central Election Committee Chairman Huang Shih-cheng said yesterday [7 Nov] that candidates of all political parties will be handled fairly and according to the law if they violate the election law. He said the forthcoming election must be a fair and clean election. Station reporter Hsiao Chin-wei reports:

[Begin Hsiao reporting] The election of provincial governor, mayors, and provincial and municipal assemblymen started on 8 November, and the candidates of all political parties will begin their campaigns according to the Election and Dismissal Law. Central Election Committee Chairman Huang Shih-cheng urged all candidates to demonstrate sportsmanship and compete fairly. Huang said the voters are the best judges and they will support those candidates who abide by election regulations. He urged the voters to listen to candidates' political views and choose the ideal candidates. [passage omitted] [end recording]

Huang added that candidates who plan to campaign after 2200 [1200 GMT] must have prior approval in accordance with the law governing assembly and parade, and that public security authorities and [words indistinct] must fairly handle all misconduct that disturbs

peace and pollutes the environment. This is China Broadcasting Corporation reporter Hsiao Chin-wei at the Central Election Committee.

**Cross-Strait Negotiations on Hong Kong
'Unofficial'**

*OW0711150294 Taipei CNA in English 1403 GMT 7
Nov 94*

[By Flor Wang]

[FBIS Transcribed Text] Nov. 7 (CNA)—Future cross-strait negotiations with Mainland China on Taiwan-Hong Kong affairs will continue to be "unofficial" in nature Mainland Affairs Council chairman Huang Kun-huei said on Monday [7 November].

Huang made the remarks to a Legislative Yuan interpellation session. He said the MAC has not decided [words

indistinct] under which designation the MAC should conduct such talks, but said negotiations should [words indistinct] Kong and British authorities on Taiwan-Hong Kong affairs before the British colony reverts to Communist Chinese rule in 1997.

On the Taiwan-Hong Kong aviation-rights issue, Huang said the continuation of direct flights between Taiwan and Hong Kong after 1997 would not mean the opening of a direct air link between Taiwan and Mainland China because Hong Kong will be a "Special Administrative Area" based on Beijing's "one country, two systems" [word indistinct].

China Airlines and Hong Kong-based Cathay Pacific Airways are negotiating on extending agreements on the Taiwan-Hong Kong route, Huang added.

Hong Kong

Zhao Jihua Interviewed on Hong Kong Issue

OW0911113794 Beijing XINHUA in English 1102
GMT 9 Nov 94

[FBIS Transcribed Text] Beijing, November 9 (XINHUA)—Zhao Jihua, newly-appointed chief Chinese representative of the Sino-British Joint Liaison Group (JLG), said here today that he still takes a cautious and optimistic attitude towards the JLG work though it is facing many difficulties.

Ambassador Zhao expressed the hope that the British side will earnestly cooperate with China so as to benefit the smooth transition in Hong Kong.

Zhao, former director of the Hong Kong and Macao Affairs Office of the Ministry of Foreign Affairs, becomes the third chief Chinese representative since the JLG was founded in 1985 and will replace Ambassador Guo Fengmin who has left the post.

In an interview with XINHUA before leaving Beijing for Hong Kong to take the office, Zhao said that it is a great honor for him to have the chance to apply himself directly to the cause of returning Hong Kong to the motherland and the continuous maintenance of Hong Kong's prosperity and stability.

At the same time, he said that he feels that he has a grave responsibility. "The burden is heavy and the road is long," he said, adding that "we are pressed for time".

"I will try my best to cooperate with my British colleagues in the furtherance of the common goal of the full completion of the JLG work entrusted by the Sino-British joint declaration on the issue of Hong Kong," he said.

"Although there are many difficulties, I still take a cautiously optimistic attitude towards the JLG work," Zhao said, indicating that in general he had "full confidence in Hong Kong's smooth transition, prosperity and stability."

Zhao is an experienced diplomat versed in Hong Kong and Macao affairs. As early as the 1950s, he had graduated from the English Department of the Beijing Foreign Languages Institute and was sent to work in the Ministry of Foreign Affairs.

At various times he has served as deputy division chief of the North American and Oceania Department of the Ministry of Foreign Affairs, the head of the research division of the Institute for International Studies, the deputy director of the Hong Kong and Macao Affairs Office of the Ministry of Foreign Affairs, and counsellor and minister-counsellor for the Chinese delegation to the United Nations.

He also took part in the Sino-Portuguese talks on the issue of Macao and the Sino-British talks on the arrangement of 1994-1995 elections in Hong Kong.

On the present work and future tasks of the JLG, Zhao said that according to the stipulations of annex two of the Sino-British joint declaration on the issue of Hong Kong, the main function of the JLG is to hold consultations on the implementation of the joint declaration and to discuss matters relating to the smooth transfer of government in 1997.

He said that annex two has also clearly stipulated the specific matters which should be examined for approval during the first half and the second half of the period between the establishment of the JLG and July 1, 1997.

The JLG has made considerable progress in the first half of the transitional period in ensuring the continuous development of Hong Kong's economic relations with foreign countries and the continued application of the relevant international rights and interests as well as taking care of obligations in Hong Kong itself, he said.

The JLG work during the second half of the transitional period is to ensure the smooth transfer of power.

There are just over two years left for Hong Kong's transition and the JLG is facing heavy tasks and a lot of issues to be settled at the earliest possible time.

"We should find a proper solution to these issues," he said, pointing out that for a period of time, the British side has sabotaged the foundation for bilateral cooperation on the Hong Kong issue in line with the joint declaration, producing certain unfavorable effects in the JLG work.

"The Chinese side is not satisfied with the current progress of the JLG work. It pays great attention to the JLG's roles and sincerely hopes the group will finish the tasks entrusted it by history," Zhao said.

When asked about the problems remaining in Sino-British cooperation and how these can be solved, Zhao said that the "through train" no longer exists because obstacles have been put in the way of the issue of Hong Kong's political systems. The Chinese side has to set up a "separate kitchen".

But he said, the Chinese side hopes that the British side will take practical steps to earnestly cooperate with China in other aspects of the political system and major issues related to Hong Kong's economy and local people's lives.

The Chinese side consistently hopes to see the speeding up of the JLG work and has made great efforts toward this end. "Work speed depends on the efficiency," Zhao said, adding that the facts show that it is empty to talk of efficiency if there is no sincerity and if one constantly makes trouble.

He said that if there is sincerity, even complicated issues can be solved quickly. Only by doing so, "we can get twice the result with half the effort," he said.

The post of director of the Hong Kong and Macao Affairs Office of the Ministry of Foreign Affairs has been taken over by Wang Guisheng, who was originally deputy director of the office.

Legislator Urges Consultation With China on MTRC

HK0911051594 Hong Kong SOUTH CHINA MORNING POST in English 9 Nov 94 p 5

[By Louis Won and So Lai-Fun]

[FBIS Transcribed Text] China should be consulted on the appointment of directors of the Mass Transit Railway Corporation (MTRC), independent legislator Samuel Wong Ping-wai said yesterday. Board members monitoring the airport railway needed to be trusted by China and Britain, he said.

It would not be desirable to have a separate body to oversee the rail link, even though the borrowings had to be closely looked at. "The board is responsible for monitoring the project, and there's no such thing on earth as having a mechanism other than the board to play the monitoring role. "The next step for the Government is to talk to the Chinese side and try to have people trusted by the two sides to sit on the board and monitor the project," Mr Wong said.

As part of an agreed minute signed by China and Britain last week on the airport's financing, it was agreed that the corporation's debt could not exceed \$11.4 billion. Mr Wong agreed that the MTRC should have a separate account for the airport railway as a way to better monitor the financial condition of the project. The MTRC already had a separate account for its Light Rail Transit system.

According to a document circulated to legislators yesterday, the Government will seek legislators' approval for \$22.98 billion for the MTRC to allow major work on the rail link to proceed. The legislators will also be asked to agree to convert the advance of \$715 million, approved in June for the MTRC, into a commitment for equity injection.

The total will bring the Government's investment in the MTRC for the construction of the railway to \$23.7 million. Adding the highest possible level of debt brings the cost of the rail link to \$35.1 billion, higher than the estimated \$34 billion. However, the Government said the difference could be offset by pre-completion commercial revenues. Borrowing could begin as soon as it had executed the financial support agreements with the Provisional Airport Authority (PAA) and the MTRC.

The Government also said that if for any reason the cost of the project was to increase so that the MTRC could not meet the difference by additional borrowing, the Government would be obliged to provide further financial support.

It would then have to ask for additional funding approval from the Legislative Council. Also yesterday, team leaders of the expert group of the Sino-British Joint Liaison Group airport committee said they had reached some consensus after a meeting to discuss the Airport Corporation Bill.

Chinese team leader Hu Huocheng said the corporation's powers, sphere of operation and its supervision had been discussed. He and British team leader Alan Paul said they would speed up the work on this basis. The two sides will discuss the two financial support agreements on the MTRC and PAA today.

XINHUA Official Seeks Film Censorship Talks

HK0911032494 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1006 GMT 7 Nov 94

[FBIS Translated Text] Hong Kong, 7 Nov (ZHONGGUO TONGXUN SHE)—Regarding the fact that the Legislative Council plans to amend the film inspection ordinance, a person in charge of XINHUA Hong Kong Branch's Culture and Sports Department told a reporter from this news agency today that amending the film inspection ordinance at this time involves the issue of cultural management by the Special Administrative Region government after 1997, and some articles involve the relationship between Hong Kong and its neighboring countries and regions, while others involve the relationship between the PRC and its neighboring countries and regions, therefore, this is an important policy issue which should be discussed and decided by the Sino-British Joint Liaison Group.

According to information, the Legislative Council plans to discuss amendments to the film inspection ordinance, which includes articles taking into consideration whether the showing of a film could have a seriously adverse impact on good relations between Hong Kong and other regions.

'Expert': No Guarantee for Smooth Court Transition

HK0911051694 Hong Kong SOUTH CHINA MORNING POST in English 9 Nov 94 p 5

[By Linda Choy in Beijing]

[FBIS Transcribed Text] The draft bill on the Court of Final Appeal, based on a 1991 Sino-British agreement, will not necessarily guarantee a smooth transition for the court and its judges in 1997, a mainland legal expert said yesterday.

Wu Jianfan, a former Basic Law drafter and member of the Preliminary Working Committee legal sub-group said the agreement in the Joint Liaison Group (JLG) had left some important issues unresolved. "The fact that we have reached an agreement on the principles does not mean that all the problems have been resolved," he said. Mr Wu accused Britain of delaying talks with China over

details of organising the court. He said this would create hurdles on the re-appointment of judges when China takes over the sovereignty of Hong Kong. "If there had been discussions between the two sides to clear the very important issues, the re-appointment of judges in 1997 would be a much simpler procedure."

In its lobbying for legislators' support for the bill, the Hong Kong Government has argued that it is important to follow the JLG agreement in order for the court to survive beyond 1997. The JLG agreement requires that the court be composed of four local judges and one from overseas. In 1991, legislators and the legal profession said this was a violation of the principle of flexibility enshrined in Article 82 of the Basic Law.

According to Mr Wu, China and Britain had agreed to return to further talks after the 1991 JLG deal to address further questions on the setting up of the court, which will replace the Privy Council as the final appeal body after 1997. "We have not proceeded to the next step of negotiation and, thus, the court formed under Britain would not receive the recognition of the Chinese Government. Some people said there could be a through-train. Of course this is impossible," he said.

Mr Wu, who took part in the talks as a Chinese expert said the 1991 agreement dealt only with some very general principles. "Under the 1991 agreement, Britain had to make certain preparations before coming back to discuss details of the court's organisation," he said. One of the details, he said, was for Britain to draft the Court of Final Appeal Ordinance for JLG discussion. "But they took two years before the bill was handed to us. It is very clear who should bear the responsibility," he said.

UK Urged Not To Change Longstanding Legislation

HK0911061994 Hong Kong SOUTH CHINA MORNING POST in English 9 Nov 94 p 5

[By Linda Choy in Beijing]

[FBIS Transcribed Text] Britain was yesterday warned against trimming the powers of the Government by amending longstanding legislation.

Concluding a three-day session vetting Hong Kong's laws, mainland co-convenor of the Preliminary Working Committee (PWC) legal sub-group, Shao Tianren, said members would be watching closely for moves to alter the statute book. Mr Shao said the group had given consent for most of the 89 laws vetted in the past few days to remain in force. These include the Independent Commission Against Corruption ordinance as well as legislation on property rights and labour relations.

However, members were concerned about changes to the laws between now and 1997. Mr Shao said the group would re-examine the laws if significant amendments were made. Citing an amendment to the societies ordinance, Mr Shao said: "Why are they removing the ban

on societies' links with foreign political bodies at this stage?" "This law was made to prohibit links with foreign political bodies in order to maintain the stability of society. Why (does Britain) change it before their departure?"

Even though such changes were necessary to keep up with changes in society, they should be introduced only after 1997. Drastic amendments to the laws would undermine the stability of Hong Kong he warned. This did not mean the Government could not introduce any amendments, but its motives were important. Of the 65 laws vetted yesterday, the sub-group proposed that the district board ordinance should be scrapped. Mr Shao said this was proposed in accordance with the National People's Congress resolution which announced the end of Hong Kong's three-tier political structure in 1997.

PWC member Ambrose Lau Hon-chuen said the provisional legislature should be left to deal with the legislation on the district body. "It can make arrangements for the district board members to sit on the district body set up immediately after the change-over," he said.

PRC Official Says Hong Kong Relief Properly Used

OW0411125294 Beijing XINHUA in English 1235 GMT 4 Nov 94

[FBIS Transcribed Text] Hong Kong, November 4 (XINHUA)—The donations offered by the international community and the Hong Kong people earlier this year to help people in disaster-stricken area in southern China will all be properly used for the victims, a senior Chinese official said.

Gu Yingqi, executive vice-president of the Red Cross Society of China, made these remarks here today in meeting with people from the Red Cross Society of Hong Kong.

He expressed deep gratitude and respect for the generous donations made by the Red Cross Society of Hong Kong and other Hong Kong compatriots to relieve disasters in southern China in the summer this year.

By November 2, the Red Cross Society of Hong Kong raised 70.7 million Hong Kong dollars of disaster-relief, mainly for such provinces and autonomous region as Guangdong, Guangxi, Hunan, Zhejiang, Jiangxi and Fujian, which were hit by severe natural disasters including flooding and typhoon this summer.

"The priority in disaster relief will be given to the guarantee of the victims' life and health," he said. "So donations are mainly used in buying medicines, food, and padded cotton clothes and quilts in particular to keep warm."

A series of strict regulations on the management and use of the donations have been made and executed by the Red Cross Society of China.

All the disaster-relief fund will only be used for victims of disasters and nobody should take it for other purposes and the distribution of disaster-relief fund and goods are under surveillance of the public, he stressed.

He said that the Red Cross Society of Hong Kong and the Red Cross Society of China have agreed on the procedure of the purchasing and distribution of disaster-relief goods.

At present, some 290,000 sets of padded cotton clothes and 140,000 cotton-filled quilts have been ordered and will soon be transported to the disaster-stricken areas to help the victims fight against the winter season, he said.

Survey Shows Decline in 'Political Confidence'

HK0711055694 Hong Kong SOUTH CHINA
MORNING POST in English 7 Nov 94 pp 1, 2

[By Jonathan Braude]

[FBIS Transcribed Text] Public confidence in Hong Kong's political situation has taken a roller-coaster ride from depression to optimism and back again during the course of the past six months, according to the SOUTH CHINA MORNING POST quarterly opinion survey.

But confidence in the territory's economic outlook has remained relatively stable.

The Survey Research Hong Kong (SRH) poll published this morning traces a sharp downturn in political confidence from a summer high point following the passage of the Governor's political reform package. The new depression, reflecting the public's mood in the week following the Governor's annual policy address last month, matches the four-year low recorded in April when politicians ascribed the gloom to the continued row with China.

The latest decline in political confidence, measured before last week's breakthrough in the airport negotiations, finds a grim echo in the pollster's Purchase Intention Index, which plummeted to levels not seen since China's first major onslaught on Chris Patten's reform proposals at the end of 1992.

The index, which measures the public's inclination to make major purchases in the coming quarter, declined despite a marked improvement in respondents' view of their personal financial situation since the spring. About 25 percent of those polled thought their financial situation would improve, compared with 23 percent in July and 21 percent in April.

The Democratic Party's Dr Huang Chen-ya said he was not surprised at the results, blaming China's "escalating assertiveness" and the public's worries over the proposed interim legislature and the Preliminary Working Committee's (PWC) statements. He warned that people believed China would renege on the principle of "one country, two systems", and had no confidence in the abilities of the PWC.

However, Lau Wah-sum a Liberal Party spokesman on economic and financial affairs, said there was no doubt people were less bullish following the row over political reform, but he believed the business community was still "definitely positive on the whole".

The findings are set out in SRH's October Confidence Index, commissioned jointly by the POST and MING PAO.

The survey found that seven out of 10 Hong Kong people (72 percent) believed the Jardine Matheson Holdings delisting from the stock exchange would have no effect on the territory's future, although 26 percent thought it would make a difference.

Nearly half the population thought the merger of the United Democrats and Meeting Point to form the new Democratic Party would have no effect on democratic development. Thirty percent thought it would have a positive effect, while just 14 percent thought it would have a negative influence.

Based on a random telephone survey of 1,008 individuals between the ages of 15 and 64, the report shows the Political Confidence Index fell to 88, compared to 91 in July, 88 in April and 91 in January this year. The Economic Confidence Index, by contrast, fell only slightly to 90, compared with 91 in both July and April. In January, however, it was as high as 95 (the base for both indices is January 1985 = 100).

Underlying the Economic Confidence Index result are survey findings showing some 58 percent of respondents found the present economic situation "average" while 24 percent found it good and 18 percent found it bad.

There was a somewhat less positive outcome for the economic outlook for the next 12 months (32 percent thought it would deteriorate).

Hong Kong Businessmen Urged To Invest in Mainland

OW0911052994 Beijing XINHUA in English 0518
GMT 9 Nov 94

[FBIS Transcribed Text] Hong Kong, November 8 (XINHUA)—Business leaders and officials attending an international conference here today called on businessmen to invest in China as the country is becoming one of the largest markets in the world.

Speaking at the conference on trade and economic cooperation between the Chinese mainland, Hong Kong and overseas countries, Chan Wing Kee, a local business leader, said that it is now the most appropriate time to take an outlook on the prospects of this tripartite economic cooperation.

Chan, who is vice-president of the Chinese Manufacturers' Association of Hong Kong, called on businessmen to seize the opportunity to use Hong Kong as a gateway

to the development on the Chinese mainland as the country is becoming one of the largest consumer markets of the world.

Addressing the 300 participants at today's conference, Jing Shu Ping, chairman of the All-China Federation of Industry and Commerce, a businessmen's organization on the Chinese mainland, said that China has attracted a large amount of foreign capital because of the right strategies of the Chinese Government.

According to Jing, in 1993 alone, China attracted a total of agreed foreign investment amounting to 111.4 billion U.S. dollars, up 91.72 percent over the previous year.

"Through continuous improvement of our investment environment," said Jing, "we are going to attract more foreign investment."

Another speaker from the American Chamber of Commerce in Hong Kong said that China will probably become the largest economy in the world sometime early in the next century.

"The interest of U.S. in China is reflected in the rapid growth of the American Chamber of Commerce in Hong Kong," said the chamber's Vice-President Mark Michelson.

According to Michelson, over 30,000 Americans now live in Hong Kong and the majority of the chamber's members intend to increase their presence in both Hong Kong and the Chinese mainland.

Paul Selway-Seift, executive director of the Hong Kong and Shanghai Banking Corporation, a leading banking group in the territory, said that the bridging role of Hong Kong will stay intact as China's economy will continue to expand.

The one-day event is organized by the Chinese Manufacturers' Association of Hong Kong, All-China Federation of Industry and Commerce, and the American Chamber of Commerce in Hong Kong.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

END OF

FICHE

DATE FILMED

16 Nov 94

